

State of Nevada



Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2014

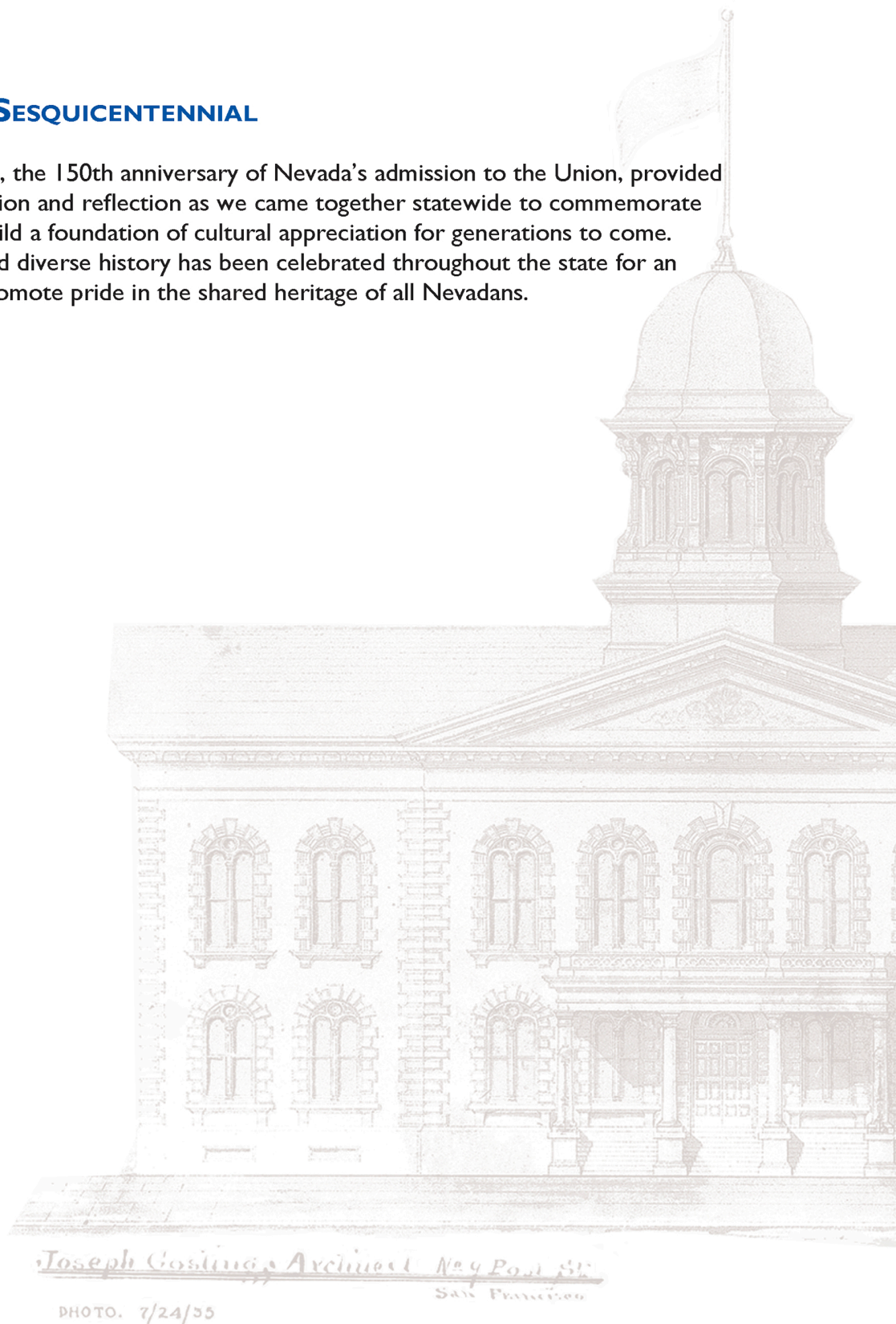
State Controller

Kim R. Wallin
CMA, CFM, CPA



ABOUT NEVADA'S SESQUICENTENNIAL

Nevada's Sesquicentennial, the 150th anniversary of Nevada's admission to the Union, provided opportunities for celebration and reflection as we came together statewide to commemorate our shared history and build a foundation of cultural appreciation for generations to come. Nevada's one of a kind and diverse history has been celebrated throughout the state for an entire year in order to promote pride in the shared heritage of all Nevadans.



STATE OF NEVADA

Comprehensive Annual Financial Report

**for the Fiscal Year
Ended June 30, 2014**

**Kim R. Wallin, CMA, CFM, CPA
State Controller**





KIM R. WALLIN, CMA, CFM, CPA

STATE CONTROLLER

Kim Wallin is a native Nevadan and is the first CPA to be elected to the office of Nevada State Controller in 50 years. She is the first CMA (Certified Management Accountant) to hold this office.

Kim is currently a member of the AGA Partnership for Intergovernmental Management and Accountability Steering Committee, and past President of NASC and is a member of the NASACT Executive Committee. In addition she is a member of the Institute of Management Accountants, AICPA, NSCPA, NASACT and AGA.

Kim has been recognized by her peers prior to becoming Controller and has continued to be recognized by her peers in her position as Controller.

Kim most recently has been awarded the 2013 National Association of State Auditors, Comptrollers and Treasurers President's Award for her work in improving disclosure of financial information for investors who invest in municipal bonds.

Also in 2013 she was given the Excellence in Government Award by the Association of Government Accountants for her advocacy of improved government accountability, for the use of technology to improve government performance and for clear, concise reporting to the public.

As Controller she has also received the AGA's Presidents Award and the National Association of Comptrollers President Award for her work in improving transparency in Government with the use of technology. In 2011 she received NASACT's Presidents Award for her work on various U.S. Presidential work groups and her continued efforts to improve efficiency and accountability.

Prior to becoming Controller, in September 2003, *Accounting Today* recognized Wallin as one of the 100 most influential people in accounting in the country. In September 2006 she was named "Woman CPA of the Year" of the entire country by the American Women's Society of CPA's.

Kim is the former Global Chair of the Institute of Management Accountants (IMA) for 2003-2004 and she served as Chair of the Board of Regents of the ICMA.

She served for two years on the Ethics Committee of the Nevada Society of CPA's (NSCPA).

Kim is a graduate of the University of Nevada, Las Vegas with a degree in Business Administration with a major in accounting.



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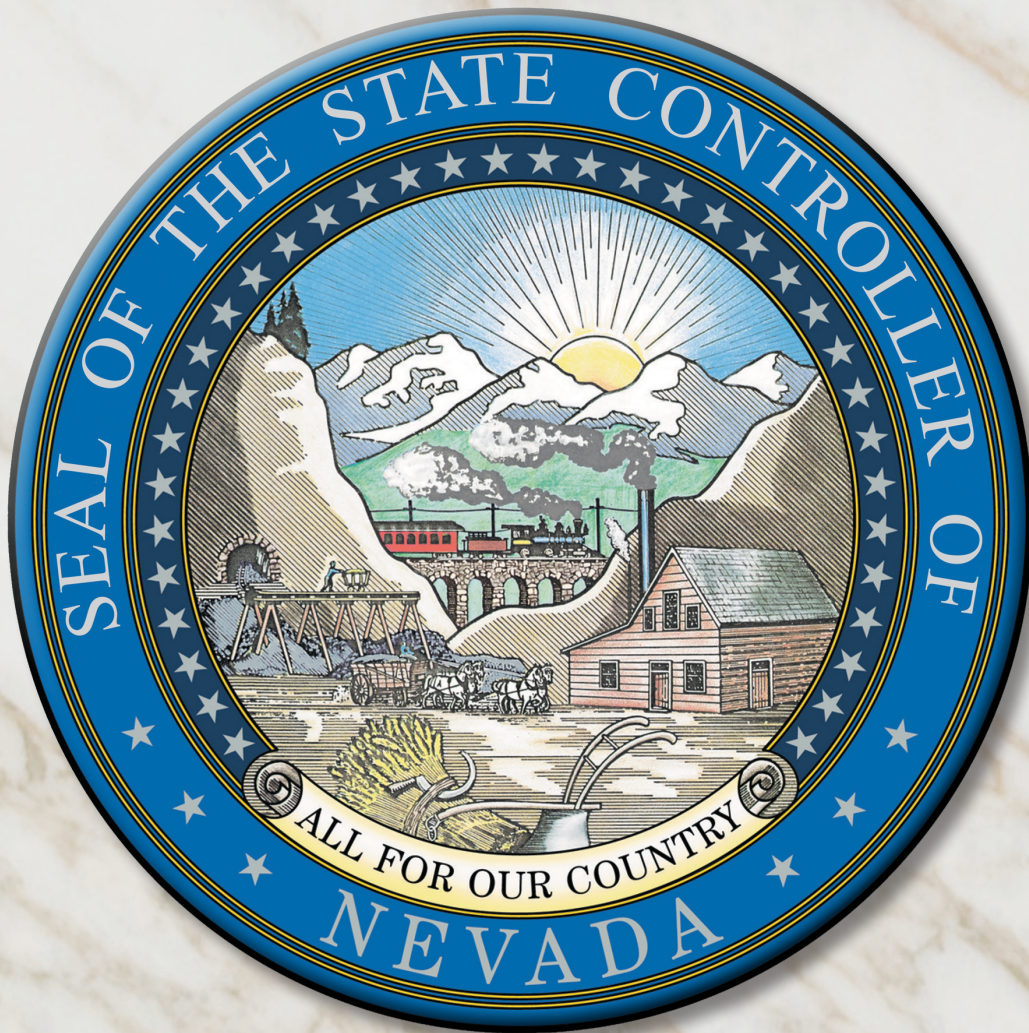
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State of Nevada
Office of State Controller
Carson City, Nevada 89701-4786

Kim R. Wallin, CMA, CFM, CPA
State Controller

December 20, 2014

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To the Citizens, Governor and Legislators of the State of Nevada:

In accordance with Nevada Revised Statutes (NRS) 227.110 and the State Accounting Procedures Law (NRS 353.291 through 353.3245), I am pleased to present the State of Nevada Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. The objective of this Report is to provide a clear picture of the government as a single, unified entity, in addition to traditional fund-based financial statements.

Introduction to the Report

Responsibility: The Controller's Office prepares the State of Nevada CAFR and is responsible for the accuracy, completeness, and fairness of the presentation, including disclosures. To the best of our knowledge and belief, the information contained in the State of Nevada CAFR is accurate in all material respects and is reported in a manner that fairly presents the financial position and results of operations of the State's primary government and the component units for which it is financially accountable. Additionally, this report includes all disclosures necessary to enable the reader to gain a reasonable understanding of Nevada's financial activities.

U.S. Generally Accepted Accounting Principles: As required by State Accounting Procedures Law, this report has been prepared in accordance with U.S. generally accepted accounting principles (GAAP), applicable to State and Local Governments as established by the Governmental Accounting Standards Board (GASB). The State also voluntarily follows the recommendations of the Government Finance Officers Association (GFOA) for the contents of government financial reports and participates in the GFOA's review program for the Certificate of Achievement for Excellence in Financial Reporting.

Internal Control Structure: The State of Nevada has established a comprehensive internal control framework designed to both safeguard the government's assets against loss from unauthorized use or theft, and to properly record and adequately document transactions. As a result, the transactions can be compiled into the presentation of the State's financial statements in conformity with U.S. GAAP. Since the cost of internal controls should not outweigh their benefits, the State's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

Many of the essential control features are decentralized. Consequently, the State relies upon the controls in place within the various State departments and agencies. NRS 353A.025 requires the head of each agency to review their internal controls on a periodic basis to determine if the agency is in compliance with the Uniform System of Internal Accounting and Administrative Controls adopted pursuant to NRS 353A.020. On or prior to July 1 of even-numbered years, agencies are required to report the status of their internal controls to the Department of Administration.

Independent Auditors: The independent accounting firm of Eide Bailly LLP has audited the accompanying financial statements in accordance with generally accepted governmental auditing standards. Their opinion appears in the Financial Section of this publication. The goal of the independent audit is to provide reasonable assurance that the financial statements of the State of Nevada are free of material misstatement. We received an unmodified opinion on the basic financial statements for this fiscal year.

The independent audit of the financial statements of the State of Nevada is part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the financial statements. This report can be found in the Compliance Section of the CAFR, as well as in the State of Nevada's separately issued Single Audit Report.

Management's Discussion and Analysis: U.S. generally accepted accounting principles require management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of Government

Background: The State of Nevada was admitted to the Union in 1864 and is bordered by five other states. The Great Basin Desert dominates the landscape, with the Sierra Nevada Mountains to the west and the Rocky Mountains to the east. Over 80 percent of Nevada's 70,264,320 acres are owned and managed by the federal government. Approximately 88 percent of our 2.8 million residents live in two distinct population centers, Washoe County in the northwest and Clark County at the southeast tip, separated by 450 miles.

The State of Nevada does not levy a personal income tax. The State's economy and tax base are dependent upon the interrelated gaming and tourism industries as well as upon federal activities, mining, logistics and distribution, manufacturing, agriculture, information technology and clean energy.

The State operates under a constitution that provides for a full range of services, including education, health and social services, highway maintenance and construction, law enforcement, public safety, business regulation, and resource development.

Reporting Entity: The State of Nevada reporting entity reflected in the State of Nevada CAFR, which is more fully described in Note 1 to the basic financial statements, conforms to the requirements of GASB Statement No. 14 as amended by GASB Statement No. 61. The accounting and reporting principles contained in these statements are based primarily upon the fundamental concept that publicly elected officials are accountable to their constituents, and that financial statements should emphasize primary government and permit financial statement users to distinguish between the primary government and its component units.

The primary government includes the Public Employees', Legislators' and Judicial Retirement Systems, and the Nevada Real Property Corporation. The State Legislature retains significant governing powers over these entities. The Nevada System of Higher Education, the Colorado River Commission and the Nevada Capital Investment Corporation are shown separately as component units to emphasize that they are legally separate from the State.

Financial Information

Debt Management: The State Constitution limits the aggregate principal amount of the general obligation debt to two percent of the total reported assessed property value of the State. Additional disclosures regarding the State's long-term obligations are provided in the notes to the basic financial statements.

Long-Term Financial Planning and Financial Policies: The State's statute requires a balanced budget (NRS 353.205) and is designed to limit the growth of spending from the General Fund to the growth of population and inflation (NRS 353.213). The Governor must submit a proposed budget for the Executive Branch to the State Legislature before each regular session, which convenes every odd-numbered year. The Legislature enacts the budget through passage of the General Appropriations Act and the Authorized Expenditures Act. Once passed and signed, the budget becomes the State's financial plan for the next two fiscal years.

In accordance with State statute, The Economic Forum, comprised of private economic and financial experts appointed by the Legislature and the Governor, sets the General Fund revenue forecasts which are binding on the budget. If revenues fall below those originally anticipated during the course of the fiscal year, the Governor must revise the budget to ensure that State appropriations do not exceed revenues. If the revisions exceed thresholds specified in NRS 353.220, they must be submitted to the Legislative Interim Finance Committee for approval.

Economic Outlook

Since the end of the Great Recession, Nevada has continued to lag behind the majority of the country in achieving full economic recovery. General Fund revenue for the fiscal year 2014 increased \$299 million over last year to \$6.8 billion. The largest increase over 2013 revenues were \$295 million in funds received from the federal and local governments, due to an increase for Medicaid funding of \$343 million offset by decreases of \$48 million in other intergovernmental programs. Other increases were \$57 million in sales taxes; and \$31 million in gaming taxes. The largest decrease was \$61 million in other taxes and \$54 million in other revenues. All other revenue sources recognized modest increases. General Fund spending in fiscal year 2014 increased by \$571 million to \$7 billion compared to 2013. The largest increase in spending was in health and social services for \$336 million which was largely due to increased Medicaid spending.

For the fiscal year ended, gaming taxes reported by the primary government were \$923 million, which was a 2.4% increase over 2013, and sales taxes were \$1.1 billion, which was a 5.7% increase over 2013. However, our gaming taxes and sales taxes remain below prerecession levels by 10.3% and 5.6% respectively. Statewide visitor volume is up 1.5% over last year but remains 3.0% below pre-recession levels. However, in Las Vegas visitor volume for 2013 was above pre-recession levels by 1.2%. In the south, there was an increase of 1.4% in hotel occupancy; and average daily room rates increased 4.3% compared to fiscal year 2013.

Nevada's revenues are continuing to be down. At the Interim Finance Committee meeting on December 8, 2014 gaming taxes and net proceeds from minerals taxes are projected to fall below previous forecasts by \$42 million and \$72 million respectively; and expenditures from the Distributive School account are expected to increase by \$71 million for 2015 fiscal year end. These decreases in revenues and increase in expenditures will place the General Fund balance at \$8 million or \$166 million below the legislatively approved ending fund balance and \$162 million below the 5% minimum ending fund balance. To close the gap, the Budget Office has identified \$72 million in potential savings and a transfer from the State's Rainy Day Fund of \$28 million leaving an estimated General Fund balance of \$108 million. However many of these proposals would require legislative approval.

Nevada is continuing to experience modest, steady job growth. The unemployment rate in Nevada was 7.7% in June 2014, compared to the national rate of 6.1%. This is down from last year's rate of 10.0%. Nevada continues, however, to have one of the highest unemployment rates in the nation. During 2015, Nevada is expected to add 32,000 new jobs, compared to only 29,000 jobs added in 2014. The State's largest industry, hospitality and food service, is estimated to add 6,000 additional jobs in 2014 and 2015. Employment growth in the mining industry is estimated to remain relatively flat for the next two years. Although job gains have accelerated across the state; employment is still 10% below peak levels in 2007 and is expected to remain below 2007 levels for several more years.

Nevada's housing market has been showing signs of recovery but still has a high foreclosure rate. In June, with a rate 2.2% of homes in foreclosure, Nevada had the 10th highest rate in the nation. Home builders are showing signs of interest as the number of new home building permits are up significantly because of insufficient inventories.

Sales and home values are increasing as well. In June, the median asking price for a home in Las Vegas was up by 28.4% over a year ago to \$196,380, and in Reno the median asking price was up by 20.6% to \$318,880 over the same period in 2013.

Mining is Nevada's largest export industry. Deposits of gold, silver and copper keep this business sector essential to the State's economy. Nevada is also a significant source of other minerals such as lithium, iron, and molybdenum used in the manufacturing of consumer and commercial products. In addition, other industrial minerals used in construction such as gypsum, limestone, sand and gravel are found in abundance in Nevada. Mineral tax revenues decreased from \$116 million in fiscal year 2013 to \$64 million in fiscal year ended June 2014.

Major Initiatives

Business Growth: The most notable economic development project this year is the Tesla Gigafactory. It is estimated that the battery manufacturing facility will create 6,500 direct factory and administrative jobs over the next four years. In addition, direct construction jobs are expected to reach 3,000 per year and additional indirect jobs of 1,500 annually over the 2015 to 2017 period; however these construction jobs are not permanent.

In December 2013 the FAA designated Nevada as one of six test sites for the integration of commercial applications of Unmanned Aerial Systems (UAS) into the National Air Space. Latest estimates show there could be an estimated \$2.5 billion in economic impact by the middle of the next decade. Currently no jobs have been created in this emerging industry in Nevada.

Nevada Governor's Office of Economic Development offers a variety of financial resources for businesses to make the decision to do business in the State. The Nevada Silver State Opportunities Fund manages \$50 million of capital dedicated to investing in businesses located in, looking to expand in, or seeking to relocate to Nevada.

The Nevada Small Business Development Center is a statewide resource for business assistance through the University of Nevada to provide a mix of services, expertise and training for starting, operating and expanding a business. The center, with 11 locations throughout the State, also provides data about the economy, business environment and population data.

Resource Development: Clean Energy investment in Nevada has accelerated rapidly in the past five years and is now well over a \$5 billion investment in Nevada. The Renewable Energy Tax Abatement program, which awards partial sales and use tax and partial property tax abatements to eligible renewable energy producers, has been a crucial tool in attracting investment in Nevada. Nevada's investment of \$500 million in tax abatements has attracted cumulative capital investments for clean energy projects totaling \$5.5 billion since 2010. These clean energy projects produce 1,500 megawatts of clean energy and have employed nearly 3,000 construction workers throughout the State.

Education: Despite continued efforts for improvements in key areas, Nevada continues to rank as one of the lowest performing school systems in the nation. However, there has been some improvements over the last year. The Nevada Department of Education reported that 71% of Nevada's high school students graduated in four years in the 2013 class. In Clark County, that rate was slightly higher at 72%.

The 2013 Legislative Session enacted various statutes affecting PreK through 12 education. Focusing on quality education for our children remains a vital topic for Nevada. Necessary steps are being taken to ensure that every child in Nevada is able to read by grade 3. Early childhood education is the key to long-term success and for our students' ability to graduate from high school. In the 2013 Legislative Session, an additional \$30 million has been allocated over the biennium toward all-day kindergarten for the State's most at-risk schools. In addition, funding levels have been adjusted to reduce class sizes for grades 1 through 3. The first ever statewide program to address the needs of English Language Learners in our State provides \$50 million in funding over the biennium as well.

Nevada was recently awarded a \$6.4 million preschool development grant from the U.S. Departments of Education and Health and Human Services Preschool Development Grants program. There is the potential for this grant allotment to exceed \$43 million over the next four years.

The Nevada System of Higher Education was awarded \$500,000 through Nevada NASA Space Grant Consortium for the creation of a new program that will change the way students learn and to plant the seed for the education system to help staff space and science related industries in Nevada.

Health and Human Services: Nevada spent over \$2 billion on Medicaid in 2014, or 29% of all General Fund expenditures. Caseloads grew by 25.2% to 380,051. This represents about 13.8% of the State's population, and that figure is expected to top 555,000 by 2015. With the roll out of the Affordable Care Act Nevada has significantly reduced the number of uninsured in the State. The current estimate of uninsured Nevadans is about 11% of the population. This is down from the 2013 estimate of 21%. The estimated number of uninsured children under 18 decreased from 15% in 2013 to 2% currently.

Transportation: The Nevada Department of Transportation (NDOT) completed five major projects through June 2014. The I-580 Freeway Extension was completed, resulting in major transportation improvements by transferring traffic off of the old US 395 to a much safer corridor built to Interstate Standards. The I-580 at Meadowood Mall Way project was completed during the quarter ended December 2013, providing reduced travel times and improved safety. The US 95 NW Phase 1 project was also completed which increased capacity and safety on US 95 between Washington Avenue and Ann Road. Phase 1, Package 2A for the I-515/US 95/US 93 and the I-15 North Phase 2, Package B were also completed during the fiscal year.

NDOT project schedules are contingent on the availability of funding. The Department anticipates a shortfall on the order of \$5.5 billion through 2016 that will limit their ability to fund not only new projects, but preservation and maintenance activities as well. Without a higher level of funding, urban congestion will not be reduced and the existing State highway system will deteriorate.

Awards and Acknowledgments

GFOA Certificate of Achievement: The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Nevada for its CAFR for the fiscal year ended June 30, 2013. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements. A copy of the GFOA Certificate of Achievement is included in the Introductory Section of the CAFR.

A Certificate of Achievement is valid for only a one-year period. We believe our current CAFR continues to meet the requirements of Certificate of Achievement Program, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments and Conclusion: This report would not have been possible without the hard work, dedication and professionalism of my staff and the cooperation and assistance from all State agencies, Legislature and the Judiciary. I sincerely appreciate the efforts of all the individuals involved. The Nevada State Controller's Office is committed to advancing accountability, continuity and efficiency in the State's financial operations.

Sincerely,



Kim R. Wallin, CMA, CFM, CPA
Nevada State Controller

STATE OF NEVADA

CONSTITUTIONAL OFFICERS



BRIAN KROLICKI
LIEUTENANT GOVERNOR



BRIAN SANDOVAL
GOVERNOR



ROSS MILLER
SECRETARY OF STATE



KATE MARSHALL
TREASURER

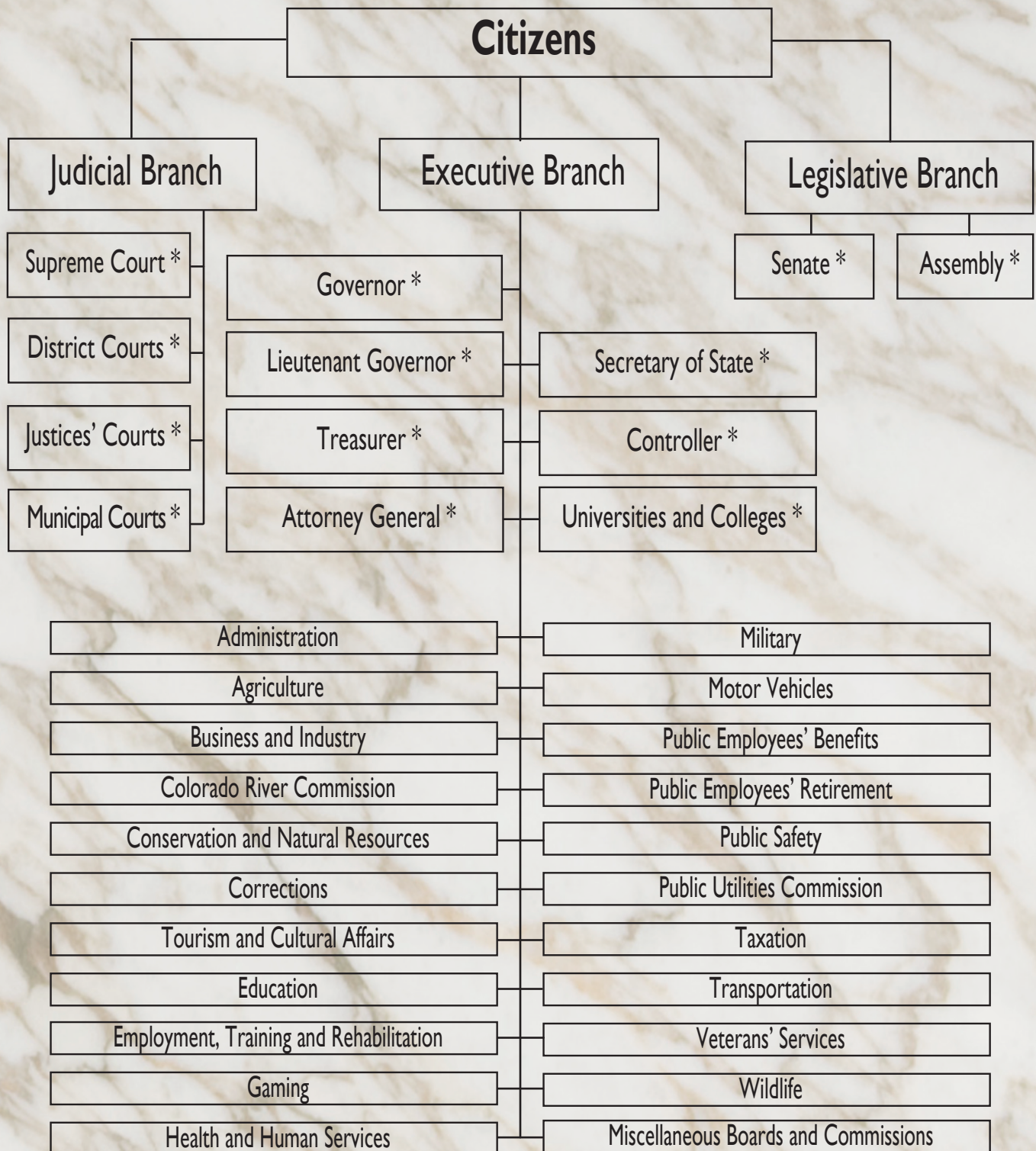


KIM R. WALLIN
CONTROLLER



CATHERINE CORTEZ MASTO
ATTORNEY GENERAL

ORGANIZATIONAL CHART



* Elected Officials



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

State of Nevada

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

A handwritten signature in black ink, reading "Jeffrey R. Emswiler". The signature is fluid and cursive.

Executive Director/CEO

FINANCIAL SECTION

Message from Governor Brian Sandoval

As Governor of Nevada, I am pleased to welcome you to the grandest celebration our state has ever experienced. Nevada 150 will provide all Nevadans with opportunities to reflect on who we are, where we came from and the bright future ahead of us.

On October 31, 1864, after thousands of years as a sacred home to indigenous people, Nevada became the 36th state to enter the union of the United States of America. At the time of its statehood, Nevada boomed with a promise of riches from the Comstock. Over the past 150 years, countless Nevadans have lived, worked, learned and played in a state rich with history, culture and the promise of opportunity.

Nevada's 150th anniversary celebration is an opportunity for us to share our history, our culture and our future with each other and with people from around the world. Nevada's best days are here to come and together we will make this an anniversary we will cherish and remember forever.

The Nevada of my youth was a place of pride, activity, optimism and opportunity. This has long been our state's heritage and it will be our future as well. As I said in my Inaugural Address in 2011, when the clock strikes on our 150th anniversary, Nevada will be Nevada again!

Sincere regards,



Brian Sandoval, Governor





Independent Auditor's Report

The Honorable Kim Wallin, CMA, CFM, CPA
State Controller

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following:

- the financial statements of the Housing Division, which is both a major fund and 42.22 percent of the assets and deferred outflows of resources, 46.31 percent of net position, and 3.29 percent of the revenues of the business-type activities;
- the financial statements of the Nevada System of Higher Education and the Colorado River Commission, both of which are discretely presented component units and represent more than 99 percent of assets and deferred outflows of resources, net position, and revenues of the discretely presented component units;
- the financial statements of the Self Insurance and Insurance Premiums Internal Service Funds which, in the aggregate, represent less than one percent of the assets and deferred outflows of resources and the net position, and 2.61 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, which in the aggregate represent 67.20 percent of the assets and deferred outflows of resources, 67.87 percent of the net position and 48.16 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Nevada College Savings Plan – Private Purpose Trust Fund, which represent 27.19 percent of the assets and deferred outflows of resources, 28.69 percent of the net position and 37.78 percent of the revenues of the aggregate remaining fund information;

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- the financial statements of the Retirement Benefits Investment Fund – Investment Trust Fund, which represent less than one percent of the assets and deferred outflows of resources, net position and revenues of the aggregate remaining fund information;
- the financial statements of the Division of Museums and History Dedicated Trust Fund, which represent less than one percent of the assets and deferred outflows of resources, fund balance and revenues of the aggregate remaining fund information.

Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above-mentioned funds and entities, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Division of Museums and History Dedicated Trust Fund, the Pension Trust Funds, the Insurance Premiums Internal Service Fund and the Retirement Benefits Investment Fund were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained, and the reports of other auditors, is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 17 to the financial statements, the State of Nevada adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 through 24 and the budgetary comparison information, the notes to required supplementary information-budgetary reporting, the schedule of funding progress, and the

schedule of infrastructure condition and maintenance data, collectively presented on pages 92 through 96 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Nevada's basic financial statements. The introductory section, combining statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2014, on our consideration of the State of Nevada's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.



Reno, Nevada
December 19, 2014

THE KICK OFF CELEBRATION IN WASHINGTON, D.C.



From left to right;
Congressman Horsford, Congressman Amodei, Senator Heller,
Congressman Heck and Congresswoman Titus.

Photo courtesy of Josh Navarro.

MANAGEMENT'S DISCUSSION AND ANALYSIS

State of Nevada management provides this discussion and analysis of the State of Nevada's Comprehensive Annual Financial Report (CAFR) for readers of the State's financial statements. This narrative overview and analysis of the financial activities of the State of Nevada is for the fiscal year ended June 30, 2014. Readers should consider this information in conjunction with the additional information furnished in the letter of transmittal.

HIGHLIGHTS

Government-wide:

Net Position – The assets and deferred outflows of the State exceeded liabilities and deferred inflows at the close of the fiscal year ended June 30, 2014 by \$5.8 billion (reported as *net position*). Of the \$5.8 billion in net position, \$1.5 billion was restricted and not available to meet the State's general obligations. Also unavailable to meet the State's general obligations is \$4.7 billion net investment in capital assets.

Changes in Net Position – The State's total net position increased by \$494.5 million in fiscal year 2014. The net position of governmental activities increased by \$318.6 million and net position of the business-type activities increased by \$175.9 million.

Fund-level:

At the close of the current fiscal year, the State's governmental funds reported combined ending fund balances of \$1.7 billion, an increase of \$161.8 million from the prior year. Of the ending fund balance, \$1.1 billion is available for spending and \$639.0 million is not in spendable form, primarily municipal securities and permanent fund principal. The spendable portion consists of: \$662.7 million restricted to expenditures for specific purposes such as transportation, capital projects, and health and human services; \$541.3 million committed to expenditures for specific purposes such as servicing bonds payable, health and education development, and fiscal emergencies; and a negative \$135.8 million unassigned, in the General Fund. The reasons for the negative unassigned fund balance are disclosed in the Financial Analysis of the State's Funds section below.

The State's enterprise funds reported combined ending net position of \$378.9 million, an increase of \$175.6 million from the prior year, primarily from increases in net position of \$135.6 million in the Unemployment Compensation Fund. Of the combined ending net position, \$224.3 million represents a deficit in net position-unrestricted of which \$237.8 million is from the Unemployment Compensation Fund.

The State's fiduciary funds reported combined ending net position of \$49.0 billion, an increase of \$7.7 billion from the prior year. This increase is due primarily to the change in the fair value of investments in the Pension Trust Funds and Private Purpose Trust Funds.

Long-term Debt (government-wide):

The State's total bonds payable and certificates of participation payable increased by \$486.1 million or 14.8% from \$3.3 billion in fiscal year 2013 to \$3.8 billion in fiscal year 2014.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the State of Nevada's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The Comprehensive Annual Financial Report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements:

The *government-wide financial statements* are designed to provide readers with a broad overview of the State of Nevada's finances in a manner similar to the private sector. They take into account all revenues and expenses connected with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The *statement of net position* presents *all* of the State's assets, liabilities, and deferred outflows/inflows of resources with the difference being reported as "net position." The statement combines and consolidates all of the State's current financial resources with capital assets and long-term obligations. Over time, increases and decreases in net position measure whether the State's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the State's net position changed during the most recent fiscal year. The statement reveals how much it costs the State to provide its various services, and whether the services cover their own costs through user fees, charges, grants, or is financed with taxes and other general revenues. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of cash flows. Therefore, some revenue and expenses reported in this statement will not result in cash flows until future fiscal periods (e.g., uncollected taxes earned and unused leave).

Both government-wide statements above report three types of activities:

Governmental Activities – Taxes and intergovernmental revenues primarily support these activities. Most services normally associated with State government fall into this category, including general government, health and social services, education and support services, law, justice and public safety, regulation of business, transportation, recreation and resource development, interest on long-term debt and unallocated depreciation.

Business-type Activities – These activities are intended to recover all, or a significant portion, of the costs of the activities by charging fees to customers. The Housing Division and Unemployment Compensation are examples of the State's business-type activities.

Discretely Presented Component Units – Discrete component units are legally separate organizations for which their relationship with the primary government meets selected criteria. The State has three discretely presented component units – the Nevada System of Higher Education, the Colorado River Commission and the Nevada Capital Investment Corporation. Complete financial statements of the individual component units can be obtained from their respective administrative offices.

Fund Financial Statements:

A fund is an accounting entity consisting of a set of self-balancing accounts to track funding sources and spending for a particular purpose. The State's funds are broken down into three types:

Governmental funds – Most of the State's basic services are reported in governmental funds. These funds focus on short-term outflows and inflows of expendable resources as well as balances left at the end of the fiscal year available to finance future activities. These funds are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

The governmental fund financial statements focus on major funds and provide additional information that is not provided in the government-wide financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. A reconciliation is provided between the governmental fund statements and the governmental activities in the government-wide financial statements.

Proprietary funds – When the State charges customers for the services it provides, whether to outside customers (enterprise funds) or to other State agencies (internal service funds), the services are generally reported in the proprietary funds. Proprietary funds apply the accrual basis of accounting utilized by private sector businesses, and there is a reconciliation between the government-wide financial statement business-type activities and the enterprise fund financial statements. Because internal service fund operations primarily benefit governmental funds, they are included with the governmental activities in the government-wide financial statements.

Fiduciary funds – These funds are used to account for resources held for the benefit of parties outside the state government. For instance, the State acts as a trustee or fiduciary for its employee pension plans, and it is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. Fiduciary funds are reported using the accrual basis of accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent discretionary assets of the State to finance its operations.

Notes to the Financial Statements:

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in both the government-wide and fund financial statements.

Required Supplementary Information:

The required supplementary information includes budgetary comparison schedules for the General Fund and major special revenue funds, along with notes and a reconciliation of the statutory and U.S. generally accepted accounting principles (GAAP) fund balances at fiscal year-end. This section also includes a schedule of funding progress for certain pension trust funds and a schedule of infrastructure condition and maintenance data.

Other Supplementary Information:

Other supplementary information includes combining financial statements for non-major governmental, non-major enterprise, all internal service and all fiduciary funds. The non-major funds are added together, by fund type, and presented in single columns in the basic financial statements. Other supplementary information contains budgetary schedules of total uses for the General Fund and special revenue fund budgets, as well as a schedule of sources for non-major special revenue fund budgets.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The State's overall financial position and operations for the fiscal years ended June 30, 2014 and 2013 for the primary government are summarized in the following statements based on the information included in the government-wide financial statements.

State of Nevada's Net Position-Primary Government (expressed in thousands)							
	Governmental Activities		Business-type Activities		Total		Total Change
	2014	2013	2014	2013	2014	2013	2014-2013
Assets							
Current and other assets	\$ 3,604,390	\$ 3,406,393	\$ 1,918,000	\$ 1,846,659	\$ 5,522,390	\$ 5,253,052	\$ 269,338
Net capital assets	6,020,493	5,816,201	12,321	12,471	6,032,814	5,828,672	204,142
Total assets	<u>9,624,883</u>	<u>9,222,594</u>	<u>1,930,321</u>	<u>1,859,130</u>	<u>11,555,204</u>	<u>11,081,724</u>	<u>473,480</u>
Total deferred outflows of resources	13,978	-	1,612	-	15,590	-	15,590
Liabilities							
Current liabilities	1,513,414	1,445,839	69,382	69,073	1,582,796	1,514,912	67,884
Long-term liabilities	2,710,278	2,680,905	1,483,298	1,586,713	4,193,576	4,267,618	(74,042)
Total liabilities	<u>4,223,692</u>	<u>4,126,744</u>	<u>1,552,680</u>	<u>1,655,786</u>	<u>5,776,372</u>	<u>5,782,530</u>	<u>(6,158)</u>
Total deferred inflows of resources	704	-	-	-	704	-	704
Net Position							
Net investment in capital assets	4,672,738	4,357,735	3,434	3,422	4,676,172	4,361,157	315,015
Restricted	866,071	741,250	599,806	560,410	1,465,877	1,301,660	164,217
Unrestricted (deficit)	(124,344)	(3,135)	(223,987)	(360,488)	(348,331)	(363,623)	15,292
Total net position	<u>\$ 5,414,465</u>	<u>\$ 5,095,850</u>	<u>\$ 379,253</u>	<u>\$ 203,344</u>	<u>\$ 5,793,718</u>	<u>\$ 5,299,194</u>	<u>\$ 494,524</u>

Net Position:

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The State's combined net position (governmental and business-type activities) increased to \$5.8 billion at the end of 2014, compared with \$5.3 billion at the end of the previous year.

The largest portion of the State's net position (\$4.7 billion or 80.7%) reflects its investment in capital assets such as land, buildings, improvements other than buildings, equipment, construction in progress, infrastructure and rights-of-way, less any related debt still outstanding that was used to acquire those assets. The State uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the State's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the State's net position (\$1.5 billion or 25.3%) represents resources that are subject to external restrictions on how they may be used. At the close of the fiscal year, the State reported an unrestricted net position deficit of \$348.3 million or (6.0%), as compared to a \$364.0 million deficit in the prior year.

The unrestricted net position in governmental activities decreased by \$121.2 million from a deficit of \$3.1 million to a deficit of \$124.3 million. In business-type activities the unrestricted net position increased by \$136.5 million from a deficit of \$360.5 million to a deficit of \$224.0 million. The decrease in governmental activities was a result of several factors, including a decrease in the unrestricted fund balances of the General Fund of \$102.1 million and a decrease of \$14.6 million in deferred inflows of resources for unavailable revenue recognized as revenue in the government-wide statement of net activities. Of the \$14.6 million in deferred inflows of resources for unavailable revenue, approximately \$1.0 million is from rebates for health and social services and \$12.3 million is from taxes. In the business-type activities, the increase is primarily due to an increase in the net position of the Unemployment Compensation Fund in the amount of \$135.6 million.

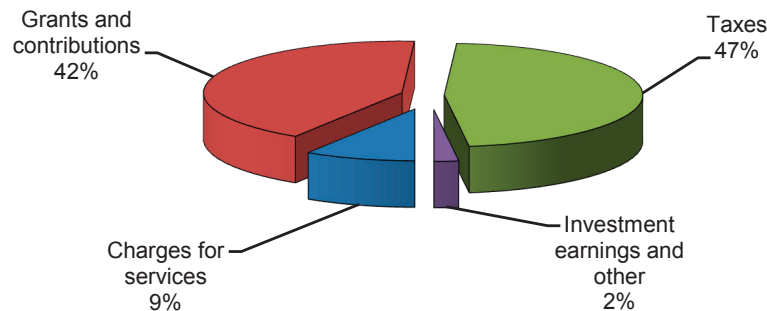
Changes in State of Nevada's Net Position-Primary Government (expressed in thousands)							
	Governmental Activities		Business-type Activities		Total		Total Change
	2014	2013	2014	2013	2014	2013	2014-2013
Revenues							
Program revenues							
Charges for services	\$ 767,186	\$ 787,665	\$ 121,264	\$ 97,088	\$ 888,450	\$ 884,753	\$ 3,697
Operating grants and contributions	3,416,382	3,116,377	196,653	523,895	3,613,035	3,640,272	(27,237)
Capital grants and contributions	9,349	56,003	-	-	9,349	56,003	(46,654)
General revenues							
Sales and use taxes	1,085,656	1,027,124	-	-	1,085,656	1,027,124	58,532
Gaming taxes	922,999	901,085	-	-	922,999	901,085	21,914
Modified business taxes	382,976	386,928	-	-	382,976	386,928	(3,952)
Insurance premium taxes	256,587	252,195	-	-	256,587	252,195	4,392
Property and transfer taxes	209,784	215,211	-	-	209,784	215,211	(5,427)
Motor and special fuel taxes	269,544	269,232	-	-	269,544	269,232	312
Other taxes	688,399	685,650	537,372	566,137	1,225,771	1,251,787	(26,016)
Investment earnings	5,462	2,892	-	-	5,462	2,892	2,570
Other	160,298	229,733	-	-	160,298	229,733	(69,435)
Total Revenues	8,174,622	7,930,095	855,289	1,187,120	9,029,911	9,117,215	(87,304)
Expenses							
General government	202,620	229,136	-	-	202,620	229,136	(26,516)
Health and social services	3,784,055	3,464,334	-	-	3,784,055	3,464,334	319,721
Education and support services	2,326,498	2,290,844	-	-	2,326,498	2,290,844	35,654
Law, justice and public safety	662,330	657,728	-	-	662,330	657,728	4,602
Regulation of business	303,020	85,688	-	-	303,020	85,688	217,332
Transportation	327,519	505,354	-	-	327,519	505,354	(177,835)
Recreation and resource development	139,188	134,578	-	-	139,188	134,578	4,610
Interest on long-term debt	121,224	106,126	-	-	121,224	106,126	15,098
Unallocated depreciation	2,150	2,023	-	-	2,150	2,023	127
Unemployment insurance	-	-	552,246	867,600	552,246	867,600	(315,354)
Housing	-	-	31,954	34,247	31,954	34,247	(2,293)
Water loans	-	-	7,837	8,942	7,837	8,942	(1,105)
Workers' compensation and safety	-	-	26,715	28,685	26,715	28,685	(1,970)
Higher education tuition	-	-	21,325	25,081	21,325	25,081	(3,756)
Other	-	-	32,944	32,107	32,944	32,107	837
Total Expenses	7,868,604	7,475,811	673,021	996,662	8,541,625	8,472,473	69,152
Change in net position before contributions to permanent funds, special items and transfers	306,018	454,284	182,268	190,458	488,286	644,742	(156,456)
Contributions to permanent fund	5,908	5,376	-	-	5,908	5,376	532
Special item - Settlement	-	-	330	-	330	-	330
Transfers	6,689	(22,229)	(6,689)	22,229	-	-	-
Change in net position	318,615	437,431	175,909	212,687	494,524	650,118	(155,594)
Net position - beginning of year	5,095,850	4,658,419	203,344	(9,343)	5,299,194	4,649,076	650,118
Net position - end of year	\$ 5,414,465	\$ 5,095,850	\$ 379,253	\$ 203,344	\$ 5,793,718	\$ 5,299,194	\$ 494,524

Changes in Net Position:

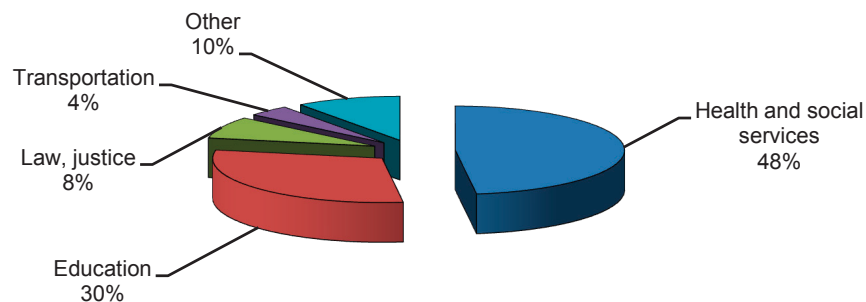
Total government-wide revenues decreased by \$87.3 million during the current year. The decrease in revenues is a result of several factors, including decreases of \$73.9 million in federal funding, \$42.0 million in unclaimed property revenues, \$20.8 million in agreement income and \$8.9 million in settlement income. Revenues increased primarily in sales and use taxes of \$58.5 million and gaming taxes of \$21.9 million.

Governmental activities – The net position increased by \$318.6 million or 6.3%. Approximately 47.0% of the total revenue came from taxes, while 42.0% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 9.0% of the total revenues (see chart below). The State’s governmental activities expenses cover a range of services and the largest expenses were 48.0% for health and social services and 30.0% for education (see chart below). In 2014, governmental activities expenses exceeded program revenues, resulting in the use of \$3.7 billion in general revenues, which were generated to support the government.

The following chart depicts the governmental activities revenues for the fiscal year:



The following chart depicts the governmental activities expenses for the fiscal year:

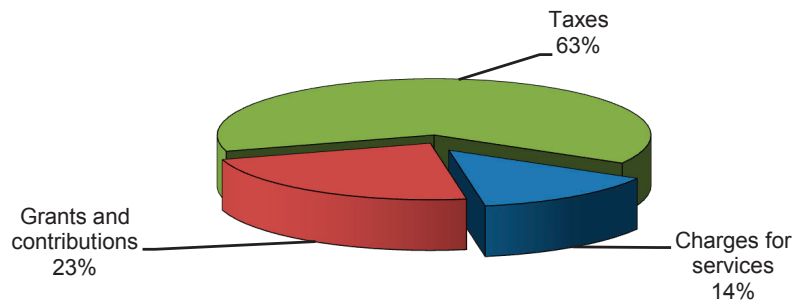


The following table depicts the total program revenues and expenses for each function of governmental activities:

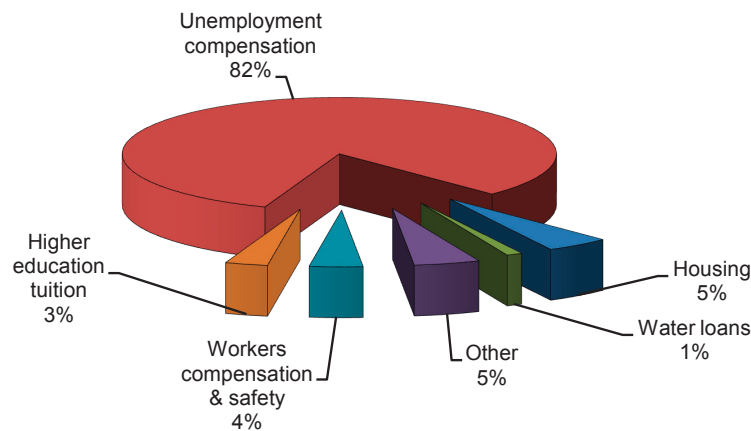
Revenues and Expenses by Function: Governmental Activities		
(expressed in thousands)		
	Expenses	Revenue
General government	\$ 202,620	\$ 188,641
Health and social services	3,784,055	2,747,384
Education	2,326,498	263,811
Law, justice	662,330	333,595
Regulation	303,020	221,233
Transportation	327,519	347,859
Recreation	139,188	89,128
Total	<u>\$ 7,745,230</u>	<u>\$ 4,191,651</u>

Business-type activities – The net position increased by \$175.9 million. Approximately 63.0% of the total revenue came from taxes, while 23.0% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 14.0% of the total revenues (see chart below). The State’s business-type activities expenses cover a range of services. The largest expenses were 82.0% for unemployment compensation (see chart below). In 2014, business-type activities expenses exceeded program revenues by \$355.1 million. Of this amount, unemployment compensation was the largest, with net expenses of \$406.2 million, resulting in the use of \$537.1 million in general revenues generated by and restricted to the Unemployment Compensation Fund.

The following chart depicts the business-type activities revenues for the fiscal year:



The following chart depicts the business-type activities expenses for the fiscal year:



The following table depicts the total program revenues and expenses for each function for business-type activities:

Revenues and Expenses by Function: Business-type Activities (expressed in thousands)		
	Expenses	Revenue
Unemployment compensation	\$ 552,246	\$ 146,035
Housing	31,954	29,176
Water loans	7,837	17,329
Workers compensation	26,715	43,235
Higher education tuition	21,325	47,018
Other	32,944	35,124
Total	<u>\$ 673,021</u>	<u>\$ 317,917</u>

The State government's overall financial position improved over the past fiscal year, with a \$318.6 million or 6.3% increase in the net position of the governmental activities and a \$175.9 million or 86.5% increase in the net position of the business-type activities. Nevada continues to recover at a slow pace. Key economic indicators from the State's sales and gaming taxes continue to show positive growth. Tax revenues for governmental activities increased in the current fiscal year \$79.0 million or 2.1%, compared to an increase of \$135.8 million or 3.8% in the prior fiscal year. In addition, General Fund intergovernmental revenues increased \$294.9 million primarily due to Medicaid receipts. In the Highway Fund, revenues increased \$21.7 million in other taxes, \$10.9 million in driver's license and motor carrier fees and \$10.0 million in motor and special fuels tax.

FINANCIAL ANALYSIS OF THE STATE'S FUNDS

Governmental Funds:

As of the end of the current fiscal year, the State's governmental funds reported combined ending fund balances of \$1.7 billion, an increase of \$161.8 million from the prior year. Of these total ending fund balances, \$639.0 million (37.4%) is nonspendable, either due to its form or legal constraints, and \$662.7 million (38.8%) is restricted for specific programs by external constraints, constitutional provisions, or contractual obligations. An additional \$541.3 million (31.7%) of total fund balance has been committed to specific purposes. Committed amounts cannot be used for any other purpose unless approved by the Legislature. Included in committed fund balance is \$28.1 million for fiscal emergency. NRS 353.288 provides for the Account to Stabilize the Operation of the State Government (Stabilization Account) in the State General Fund. Additions to the stabilization account are triggered at the end of a fiscal year if the General Fund unrestricted fund balance (budgetary basis) exceeds 7% of General Fund operating appropriations, in which case forty percent of the excess is deposited to the Stabilization Account. Expenditures may occur only if actual revenues for the biennium fall short by 5% or more from anticipated revenues, or if the Legislature and Governor declare that a fiscal emergency exists. There were no additions to the Stabilization Account in the current fiscal year as compared to \$28.1 million in the prior fiscal year. The remaining negative \$135.8 million (7.9%) of fund balance is unassigned. The major funds are discussed more fully below.

The General Fund is the chief operating fund of the State. At the end of the current fiscal year, the total General Fund fund balance was \$274.8 million compared to \$371.0 million in the prior fiscal year. The fund balance decreased from operations by \$96.2 million, or 25.9%, during the current fiscal year. Reasons for this decrease are discussed in further detail below. The negative unassigned fund balance of \$135.8 million is mostly due to an accrual for Medicaid expenditures and for unearned gaming taxes and mining taxes already collected and budgeted but not yet recognized as revenues.

The following schedule presents a summary of revenues of the General Fund for the fiscal years ended June 30, 2014 and 2013 (expressed in thousands). Other financing sources are not included.

General Fund Revenues (expressed in thousands)						
	2014		2013		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Gaming taxes, fees and licenses	\$ 913,960	13.5%	\$ 882,575	13.6%	\$ 31,385	3.6%
Sales taxes	1,081,735	15.9%	1,024,624	15.8%	57,111	5.6%
Modified business taxes	384,886	5.7%	386,610	6.0%	(1,724)	-0.5%
Insurance premium taxes	263,532	3.9%	248,512	3.8%	15,020	6.0%
Property and transfer taxes	63,528	0.9%	57,325	0.9%	6,203	10.8%
Motor and special fuel taxes	2,671	0.0%	2,693	0.0%	(22)	-0.8%
Other taxes	544,436	8.0%	604,968	9.3%	(60,532)	-10.0%
Intergovernmental	3,118,097	46.0%	2,823,208	43.5%	294,889	10.5%
Licenses, fees and permits	289,652	4.3%	279,736	4.3%	9,916	3.5%
Sales and charges for services	58,016	0.9%	57,267	0.9%	749	1.3%
Interest and investment income	9,913	0.1%	9,620	0.2%	293	3.0%
Other revenues	53,555	0.8%	107,361	1.7%	(53,806)	-50.1%
Total revenues	<u>\$ 6,783,981</u>	<u>100.0%</u>	<u>\$ 6,484,499</u>	<u>100.0%</u>	<u>\$ 299,482</u>	<u>4.6%</u>

The total General Fund revenues increased \$299.4 million or 4.6%. The largest increases in revenue sources were \$294.9 million or 10.5% in intergovernmental revenues, \$57.1 million or 5.6% in sales taxes, \$31.4 million or 3.6% in gaming taxes, fees and licenses and \$15.0 million or 6.0% in insurance premium taxes. Intergovernmental revenues primarily increased by \$343.0 million in receipts for Medicaid offset by a decrease of \$35.6 million in county revenues. The largest decline in revenue sources was \$60.5 million or 10.0% in other taxes, which includes a \$52.2 million or 45.0% decrease in mineral tax revenues due to a decline in the price of gold resulting in mining companies ceasing the production and/or selling of gold. In other revenues, unclaimed property revenues decreased by \$42.0 million due to a decline in abandoned property received by the State coupled with an increase in claims paid out for abandoned property.

The following schedule presents a summary of expenditures by function of the General Fund for the fiscal years ended June 30, 2014 and 2013 (expressed in thousands). Other financing uses are not included.

General Fund Expenditures (expressed in thousands)						
	2014		2013		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	\$ 112,076	1.6%	\$ 142,506	2.2%	\$ (30,430)	-21.4%
Health and social services	3,490,663	50.1%	3,154,196	49.3%	336,467	10.7%
Education and support services	30,192	0.4%	52,475	0.8%	(22,283)	-42.5%
Law, justice and public safety	435,425	6.2%	420,597	6.6%	14,828	3.5%
Regulation of business	272,317	4.0%	62,351	1.0%	209,966	336.7%
Recreation, resource development	104,852	1.5%	96,833	1.5%	8,019	8.3%
Intergovernmental	2,523,472	36.2%	2,469,662	38.6%	53,810	2.2%
Debt service	3,716	0.0%	3,270	0.0%	446	13.6%
Total expenditures	\$ 6,972,713	100.0%	\$ 6,401,890	100.0%	\$ 570,823	8.9%

The total General Fund expenditures increased 8.9%. Health and social services expenditures increased \$336.5 million or 10.7%. The largest portion of this amount was for the Medicaid program. The net increase in remaining expenditures was \$234.3 million with the largest increase of \$210.0 million occurring in regulation of business expenditures due to the commodity food and school lunch programs moving into the Department of Agriculture.

The State Highway Fund is a special revenue fund used to account for the maintenance, regulation and construction of public highways and is funded through vehicle fuel taxes, federal funds, other charges and bond revenue. The fund balance increased \$204.7 million during the current fiscal year, a 137.4% increase, as compared to a 3.3% decrease in the prior year. This was primarily due to a decrease in transportation expenditures of \$125.4 million or 21.7%. Expenditures decreased as fewer contracts for road projects were entered into due to the uncertainty of future federal funding. Intergovernmental revenues decreased by \$37.4 million primarily due to a \$21.3 million decrease in federal aid. The remaining 111.2% increase in other taxes is due to the Legislative allocation to the Highway Fund of \$22.1 million of Motor Vehicle Government Services tax commissions and penalties previously allocated to the General Fund. The nonspendable fund balance is \$18.2 million, the restricted fund balance is \$325.7 million and the committed fund balance is \$9.9 million.

The Municipal Bond Bank Fund is a special revenue fund used to account for revenues and expenditures associated with buying local government bonds with proceeds of State general obligation bonds. The fund balance decreased by \$15.2 million during the current fiscal year, which is a 5.6% decrease from the prior year. This decrease was primarily due to the refunding of local government bonds.

The Permanent School Fund is a permanent fund used to account for certain property and the proceeds derived from such property, escheated estates, and all fines collected under penal laws of the State, which become permanent assets of the fund. All earnings on the assets are to be used for education. The fund balance increased by \$5.8 million during the current fiscal year, which is a 1.8% increase from the prior year. This increase is primarily due to \$4.0 million in fines received from county justice courts and district courts.

Proprietary Funds:

The State's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Proprietary funds are comprised of two types: enterprise funds and internal service funds. Enterprise funds are used when goods or services are provided primarily to parties outside of the State while internal service funds are used when goods or services are provided primarily to State agencies.

Enterprise Funds – There are four *major* enterprise funds: Housing Division Fund, Unemployment Compensation Fund, Water Projects Loans Fund and the Higher Education Tuition Trust Fund. The combined net position of the four major funds is \$328.6 million, the net position of the nonmajor funds is \$50.3 million and the total combined net position of all enterprise funds is \$378.9 million. The combined net position of the enterprise funds increased by \$175.6 million in 2014. The major enterprise funds are discussed below:

The Housing Division Fund was created for the purpose of making available additional funds to assist private enterprise and governmental agencies in providing safe and sanitary housing facilities and provides low interest loans for first-time homebuyers with low or moderate incomes. The net assets decreased by \$2.7 million, or 1.4%, resulting in an ending net position of \$190.2 million. Revenues from interest on loans decreased by 25.5% due to loan delinquencies reflecting Nevada's high and continuing unemployment and foreclosure rate, along with a reduction in interest and investment income of 24.9%. Operating expenses decreased due to the repayment of \$151.0 million in bonds which reduced interest payments by 23.0%.

The Unemployment Compensation Fund accounts for the payment of unemployment compensation benefits to unemployed State citizens. The net position increased by \$135.6 million during the current fiscal year, which is a 36.3% increase from the prior year. Operating revenue exceeded expenses by \$144.4 million for the fiscal year. Fiscal year 2014 total claims expense of \$536.8 million was less than the fiscal year 2013 total claims expense of \$849.3 million, or a 36.8% decrease. The leading cause for the net position increase is due to a reduction of \$6.4 million in interest expense on federal loan advances as well as a reduction in unemployment claims. During the fiscal year 2014, the State issued \$548.9 million in special revenue bonds for the purpose of repaying the entire amount of advances due the U.S. Department of Labor in accordance with the provisions of Title XII, Section 1201 of the Social Security Act. The repayment of federal advances was made using \$540.9 million of the proceeds from these special revenue bonds.

The Water Projects Loans Fund issues loans to governmental and private entities for two programs: safe drinking water and water pollution control. The federal EPA matches the State's bond proceeds to make loans to governmental entities; only federal funds are loaned to private entities. The revenues exceeded expenses and transfers by \$8.1 million during the current fiscal year, for a final net position of \$332.7 million, which is a 2.5% increase from the prior year.

The Higher Education Tuition Trust Fund provides a simple and convenient way for Nevada families to save for a college education through the advance payment of tuition. A purchaser enters into a contract for the future payment of tuition for a specified beneficiary. The contract benefits are based on in-state rates for Nevada public colleges, but can be used towards costs at any accredited, nonprofit, private or out-of-state college. The Trust Fund completed its sixteenth enrollment period during the fiscal year with 1,255 new enrollments. The net position increased \$28.0 million or 181.4% during the current fiscal year. This increase is mainly due to \$2.0 million in new tuition contracts, a \$3.6 million reduction in tuition benefits expense and \$8.8 million increase in investment income.

Internal Service Funds – The internal service funds charge State agencies for goods and services such as building maintenance, purchasing, printing, insurance, data processing and fleet services in order to recover the costs of the goods or services. Rates charged to State agencies for the operations of internal service funds are adjusted in following years to offset gains and losses. Because these are allocations of costs to other funds, they are not included separately in the government-wide financial statements but are eliminated and reclassified as either governmental activities or business-type activities. In 2014, total internal service fund net position increased by \$26.0 million, for a final net position of \$85.8 million. The two largest funds are:

The Self-Insurance Fund accounts for group health, life and disability insurance for State employees and retirees and certain other public employees. Net position increased by \$19.4 million during the current fiscal year, which is a 20.3% increase from the prior year, leaving final net position of \$114.7 million. This year's increase was caused primarily by a 3.3% increase in insurance premium income.

The Insurance Premiums Fund accounts for general, civil (tort), auto and property casualty liabilities of State agencies. The net position deficit decreased by \$2.0 million or 3.5% during fiscal year 2014, to a total deficit of \$54.2 million. The decrease is the result of an increase in net premium income of 27.9% and a decrease of 27% in claims expense.

ANALYSIS OF GENERAL FUND BUDGET VARIATIONS

The General Fund budgetary revenues and other financing sources were \$617.9 million or 7.1% less than the final budget, primarily because actual intergovernmental revenues received were less than the final budgeted amount. Intergovernmental revenues represent federal grants, and there are timing differences arising from when grants are awarded, received and spent. The final budget can include grant revenue for the entire grant period, whereas the actual amount recorded represents grant revenue received in the current year.

The net increase in the General Fund expenditures and other uses budget from original to final was \$584.7 million. Some of the differences originate because the original budget consists only of those budgets subject to legislative approval through the General Appropriations Act and the Authorizations Bill. The non-executive budgets, not subject to legislative approval, only require approval by the Budget Division and if approved after July 1, are considered to be revisions. Increases due to the non-executive budgets approved after July 1 and increased estimated receipts were approximately \$584.7 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

The State's capital assets for governmental and business-type activities as of June 30, 2014, amount to \$7.1 billion, net of accumulated depreciation of \$1.1 billion, leaving a net book value of \$6.0 billion. This investment in capital assets includes land, buildings, improvements other than buildings, equipment, software costs, infrastructure, rights-of-way, and construction in progress. Infrastructure assets are items that are normally immovable, such as roads and bridges.

As allowed by GASB Statement No. 34, the State has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense on infrastructure. Utilization of this approach requires the State to: 1) commit to maintaining and preserving affected assets at or above a condition level established by the State; 2) maintain an inventory of the assets and perform periodic condition assessments to ensure that the condition level is being maintained; and 3) make annual estimates of the amounts that must be expended to maintain and preserve assets at the predetermined condition levels. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). The State has set a policy that it will maintain a certain percentage of each category of its roadways with an IRI of less than 80 and will also maintain its bridges so that not more than 10% are structurally deficient or functionally obsolete. The most recent condition assessment shows a decline in the condition level of the roadways. However, the results of the three most recent condition assessments provide reasonable assurance that the condition level of the roadways is being preserved above, or approximately at, the condition level established. The following table shows the State's policy and the condition level of the roadways and bridges:

<u>Condition Level of the Roadways</u>					
Percentage of roadways with an IRI of less than 80					
	Category				
	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2012 condition assessment	84%	85%	84%	32%	9%
Actual results of 2011 condition assessment	56%	79%	67%	30%	9%
Actual results of 2009 condition assessment	82%	82%	87%	56%	21%

<u>Condition Level of the Bridges</u>			
Percentage of substandard bridges			
	<u>2012</u>	<u>2011</u>	<u>2009</u>
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	4%	4%	5%

The estimated amount necessary to maintain and preserve infrastructure assets at target condition levels exceeded the actual amounts of expense incurred for fiscal year 2014 by \$72.4 million. Even though actual spending for maintenance and preservation of infrastructure assets fell below estimates, condition levels are expected to continue to meet or exceed the target condition levels for the roadway category. Additional information on the State's infrastructure can be found in the Schedule of Infrastructure Condition and Maintenance Data in the Required Supplementary Information section to the financial statements.

To keep pace with the demands of the population, the State also has a substantial capital projects program. The following is a summary of major projects in progress or completed during 2014 (expressed in millions):

	Expended by June 30, 2014	Total Budget
Nevada State College Facilities	\$ 4.5	\$ 47.2
Healthcare Reform Software	23.2	44.7
Unemployment Insurance Software Development	27.3	40.4
New Readiness Center North Las Vegas	29.4	35.8
Field Maintenance Shop Facility - LV Readiness Center	23.9	27.0
Elko County Readiness Center	15.9	16.6
Southern Nevada Veterans' Cemetery Expansion	8.3	11.4
NDOT Integrated Right of Way Software	8.2	9.3
Southern Desert CC Finish Core Expansion	4.7	5.0

The total increase in the State's capital assets for the primary government for the current fiscal year was \$289.6 million. This increase included current expenditures to purchase capital assets and completed projects from construction in progress. Depreciation charges for the year totaled \$71.9 million.

Additional information on the State's capital assets can be found in Note 7 to the financial statements.

Debt Administration:

As of year-end, the State had \$4.2 billion in long-term liabilities outstanding, compared to \$4.3 billion last year, a decrease of \$74.0 million or 1.7% during the current fiscal year. This decrease was due primarily to the refunding of general obligation bonds.

The most current bond ratings from Fitch, Moody's Investor Service and Standard and Poor's were AA+, Aaa and AAA, respectively. These ratings are an indication of high quality obligations and a reflection of sound financial management. The Constitution of the State limits the aggregate principal amount of the general obligation debt to 2% of the total reported assessed property value of the State.

New bonds issued during the 2014 fiscal year were (expressed in thousands):

Unemployment Compensation Fund Special Revenue Bonds	11/06/2013	\$ 548,900
Lease Revenue Refunding Certificates of Participation - Capital Complex Building 1 Project	11/26/2013	17,740
Lease Revenue Refunding Certificates of Participation - Casa Grande Project	11/26/2013	18,045
Lease Revenue Certificates of Participation - Nevada State College Project	11/26/2013	50,445
Highway Revenue Bonds - Motor Vehicle Fuel Tax	03/19/2014	86,020
General Obligation Capital Improvement and Cultural Affairs Bonds	04/22/2014A	51,385
General Obligation Natural Resources and Refunding Bonds	04/22/2014B	5,580
General Obligation Open Space, Parks, and Natural Resources Bonds	04/22/2014C	2,185
General Obligation Safe Drinking Water Revolving Fund Matching and Refunding Bonds	04/22/2014D	5,145
Housing Multi-Unit Henderson Family	08/15/2013	9,309
Housing Multi-Unit Agate Avenue	11/27/2013	55
Housing Multi-Unit Landsman Gardens	12/12/2013	55
Housing Multi-Unit Landsman Gardens	12/12/2013	6,300
Housing Multi-Unit Orvis Ring	04/17/2014	3,650

Additional information on the State's long-term debt obligations can be found in Note 9 to the financial statements and in the Statistical Section.

Requests for Information

This financial report is designed to provide a general overview of the State of Nevada's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: State of Nevada, Office of the State Controller, 101 N. Carson Street, Suite 5, Carson City, NV 89701-4786 or visit our website at: www.controller.nv.gov.

BASIC FINANCIAL SECTION

Nevada Pony Express delivered some special sesquicentennial proclamations to Lt. Governor Krolicki at the State Capitol in Carson City.



Statement of Net Position

June 30, 2014 (Expressed in Thousands)



	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and pooled investments	\$ 1,701,899	\$ 341,461	\$ 2,043,360	\$ 270,259
Investments	542,058	697,879	1,239,937	1,233,813
Internal balances	3,602	(3,602)	-	-
Due from component unit	5,795	-	5,795	-
Due from primary government	-	-	-	27,444
Accounts receivable	75,304	7,390	82,694	48,232
Taxes/assessments receivable	837,072	202,001	1,039,073	-
Intergovernmental receivables	376,206	886	377,092	37,087
Accrued interest and dividends	4,539	12,241	16,780	27
Contracts receivable	-	39,030	39,030	-
Mortgages receivable	-	461,065	461,065	-
Notes/loans receivable	16,357	64,118	80,475	12,887
Other receivables	326	-	326	83,162
Inventory	27,563	1,420	28,983	6,713
Prepaid expenses	13,666	257	13,923	44,141
Restricted assets:				
Cash	-	-	-	86,767
Investments	-	93,839	93,839	38,515
Other assets	3	15	18	54,207
Capital assets:				
Land, infrastructure and construction in progress	4,766,647	10,851	4,777,498	145,040
Other capital assets, net	1,253,846	1,470	1,255,316	1,805,209
Total assets	9,624,883	1,930,321	11,555,204	3,893,503
Deferred Outflows of Resources				
Deferred charge on refunding	13,978	1,612	15,590	14,106
Total deferred outflows of resources	13,978	1,612	15,590	14,106
Liabilities				
Accounts payable	938,617	49,956	988,573	56,274
Accrued payroll and related liabilities	71,617	1,421	73,038	69,874
Intergovernmental payables	145,150	35	145,185	-
Interest payable	17,876	8,258	26,134	11,891
Due to component units	27,411	-	27,411	-
Due to primary government	-	-	-	5,795
Contracts/retentions payable	39,021	-	39,021	-
Unearned revenues	199,430	9,700	209,130	51,070
Other liabilities	74,292	12	74,304	50,549

Long-term liabilities:			
<i>Portion due or payable within one year:</i>			
Reserve for losses	64,074	-	64,074
Obligations under capital leases	2,269	-	2,269
Compensated absences	59,659	1,256	60,915
Benefits payable	-	15,960	15,960
Bonds payable	168,772	170,140	338,912
Certificates of participation payable	2,756	-	2,756
<i>Portion due or payable after one year:</i>			
Federal advances	-	-	-
Reserve for losses	48,458	-	48,458
Obligations under capital leases	22,825	-	22,825
Compensated absences	37,467	745	38,212
Benefits payable	-	169,193	169,193
Bonds payable	2,209,310	1,125,433	3,334,743
Certificates of participation payable	94,655	-	94,655
Due to component unit	33	-	33
Arbitrage rebate liability	-	571	571
Total liabilities	4,223,692	1,552,680	5,776,372
Deferred Inflows of Resources			
Taxes	55	-	55
Fines and forfeitures	649	-	649
Donations	-	-	-
Total deferred inflows of resources	704	-	704
Net Position			
Net investment in capital assets	4,672,738	3,434	4,676,172
Restricted for:			
Security of outstanding obligations	-	186,644	186,644
Workers' compensation	-	37,115	37,115
Tuition contract benefits	-	43,355	43,355
Capital projects	-	-	-
Debt service	26,312	-	26,312
Education and support services	2,276	-	2,276
Transportation	231,488	-	231,488
Recreation and resource development	61,075	332,690	393,765
Law, justice and public safety	43,730	-	43,730
Health and social services	165,269	-	165,269
Regulation of business	10,918	2	10,920
Scholarships	-	-	-
Loans	-	-	-
Operations and maintenance	-	-	-
Research and development	-	-	-
Other purposes	124	-	124
Funds held as permanent investments:			
Nonexpendable	324,859	-	324,859
Expendable	20	-	20
Unrestricted (deficit)	(124,344)	(223,987)	(348,331)
Total net position	\$ 5,414,465	\$ 379,253	\$ 5,793,718

The notes to the financial statements are an integral part of this statement.

Statement of Activities



For the Fiscal Year Ended June 30, 2014 (Expressed in Thousands)

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Component Units
Primary Government							
Governmental activities:							
General government	\$ 202,620	\$ 174,265	\$ 14,376	\$ -	\$ (13,979)	\$ -	\$ (13,979)
Health and social services	3,784,055	172,459	2,574,925	-	(1,036,671)	-	(1,036,671)
Education and support services	2,326,498	3,252	260,549	10	(2,062,687)	-	(2,062,687)
Law, justice and public safety	662,330	273,895	55,268	4,432	(328,735)	-	(328,735)
Regulation of business	303,020	78,222	143,011	-	(81,787)	-	(81,787)
Transportation	327,519	14,520	329,150	4,189	20,340	-	20,340
Recreation and resource development	139,188	50,573	37,837	718	(50,060)	-	(50,060)
Interest on long-term debt	121,224	-	1,266	-	(119,958)	-	(119,958)
Unallocated depreciation	2,150	-	-	-	(2,150)	-	(2,150)
Total governmental activities	7,868,604	767,186	3,416,382	9,349	(3,675,687)	-	(3,675,687)
Business-type activities:							
Unemployment insurance	552,246	1,393	144,643	-	-	(406,210)	(406,210)
Housing	31,954	16,003	13,172	-	-	(2,779)	(2,779)
Water loans	7,837	8,924	8,405	-	-	9,492	9,492
Workers' compensation and safety	26,715	40,671	2,564	-	-	16,520	16,520
Higher education tuition	21,325	22,063	24,955	-	-	25,693	25,693
Other	32,944	32,210	2,914	-	-	2,180	2,180
Total business-type activities	673,021	121,264	196,653	-	-	(355,104)	(355,104)
Total primary government	\$ 8,541,625	\$ 888,450	\$ 3,613,035	\$ 9,349	(3,675,687)	(355,104)	(4,030,791)
Total component units	\$ 1,667,114	\$ 715,072	\$ 436,873	\$ 10,177	-	-	(504,992)

General revenues:				
Taxes:				
Gaming	892,545	-	892,545	-
Sales and use	971,627	-	971,627	-
Modified business	382,976	-	382,976	-
Insurance premium	256,587	-	256,587	-
Property and transfer	63,528	-	63,528	-
Motor and special fuel	2,671	-	2,671	-
Other	357,671	252	357,923	-
Restricted for unemployment compensation:				
Other taxes	-	537,120	537,120	-
Restricted for educational purposes:				
Sales and use taxes	114,029	-	114,029	-
Gaming taxes	30,454	-	30,454	-
Other taxes	141,118	-	141,118	-
Restricted for debt service purposes:				
Property and transfer taxes	134,628	-	134,628	-
Motor and special fuel taxes	70,101	-	70,101	-
Other	17,531	-	17,531	-
Restricted for recreation and resource development purposes:				
Other taxes	33,772	-	33,772	-
Restricted for health and social services purposes:				
Property and transfer taxes	11,628	-	11,628	-
Other taxes	109,783	-	109,783	-
Restricted for transportation purposes:				
Motor and special fuel taxes	196,772	-	196,772	-
Other taxes	41,167	-	41,167	-
Restricted for regulation purposes:				
Other taxes	4,888	-	4,888	-
Settlement income	38,524	-	38,524	-
Unrestricted investment earnings	5,462	-	5,462	162,738
Gain on sale of assets	-	-	-	2,815
Other general revenues	104,243	-	104,243	4,773
Contributions to permanent funds	5,908	-	5,908	9,264
Payments from State of Nevada	-	-	-	500,562
Special item - settlement	-	330	330	-
Transfers	6,689	(6,689)	-	-
Total general revenues, special items, and transfers	3,994,302	531,013	4,525,315	680,152
Change in net position	318,615	175,909	494,524	175,160
Net position - beginning	5,095,850	203,344	5,299,194	2,801,197
Net position - ending	\$ 5,414,465	\$ 379,253	\$ 5,793,718	\$ 2,976,357

The notes to the financial statements are an integral part of this statement.

Balance Sheet Governmental Funds

June 30, 2014

	General Fund	State Highway	Municipal Bond Bank
Assets			
<i>Cash and pooled investments:</i>			
Cash with treasurer	\$ 522,152,415	\$ 365,197,429	\$ 1,572
Cash in custody of other officials	3,920,704	171,584	-
Investments	10,858,183	-	255,620,000
<i>Receivables:</i>			
Accounts receivable	46,934,158	1,225,699	-
Taxes receivable	793,109,109	39,874,795	-
Intergovernmental receivables	348,551,673	17,415,864	-
Accrued interest and dividends	2,603,250	-	1,240,225
Notes/loans receivable	16,267,054	-	-
Other receivables	15,830	-	-
Due from other funds	44,683,647	6,328,629	1,358
Due from fiduciary funds	370,568	-	-
Due from component units	211,086	2,056	-
Inventory	10,957,867	15,856,583	-
Advances to other funds	3,174,989	-	-
Prepaid items	10,210,922	2,312,017	-
Total assets	\$ 1,814,021,455	\$ 448,384,656	\$ 256,863,155
Liabilities			
<i>Accounts payable and accruals:</i>			
Accounts payable	\$ 394,088,818	\$ 19,016,915	\$ -
Accrued payroll and related liabilities	50,159,682	16,541,337	-
Intergovernmental payables	127,175,516	16,524,572	-
Interest payable	-	-	-
Contracts/retentions payable	244,046	33,927,838	-
Due to other funds	21,309,312	2,519,302	-
Due to fiduciary funds	500,920,577	815,134	-
Due to component units	14,196,223	1,029,366	-
Unearned revenues	183,732,200	511,288	-
Other liabilities	50,703,990	1,201,169	-
Total liabilities	1,342,530,364	92,086,921	-
Deferred Inflows of Resources			
<i>Unavailable revenue:</i>			
Taxes	76,197,535	268,218	-
Intergovernmental	98,865,681	270	-
Licenses, fees and permits	4,120,704	-	-
Sales and charges for services	6,533,975	58,117	-
Settlement income	-	-	-
Interest	411,022	231,732	1,240,535
Other	9,799,836	1,982,483	-
Taxes	55,145	-	-
Fines and forfeitures	649,031	-	-
Total deferred inflows of resources	196,632,929	2,540,820	1,240,535
Fund Balances			
Nonspendable	39,255,213	18,168,600	255,620,000
Restricted	65,341,718	325,732,934	-
Committed	306,050,398	9,855,381	2,620
Unassigned	(135,789,167)	-	-
Total fund balances	274,858,162	353,756,915	255,622,620
Total liabilities, deferred inflows of resources and fund balances	\$ 1,814,021,455	\$ 448,384,656	\$ 256,863,155

The notes to the financial statements are an integral part of this statement.



NEVADA

Permanent School Fund	Other Governmental Funds	Total Governmental Funds
\$ 11,859,405	\$ 455,085,748	\$ 1,354,296,569
34,248,489	104,262,958	142,603,735
274,075,515	1,503,907	542,057,605
660	21,982,056	70,142,573
-	4,088,292	837,072,196
357,342	9,009,024	375,333,903
693,568	2,112	4,539,155
-	-	16,267,054
-	310,000	325,830
30,079	16,662,816	67,706,529
-	864,807	1,235,375
5,402,968	430	5,616,540
-	485,916	27,300,366
-	903,819	4,078,808
-	612,383	13,135,322
<u>\$ 326,668,026</u>	<u>\$ 615,774,268</u>	<u>\$ 3,461,711,560</u>
\$ -	\$ 7,793,973	\$ 420,899,706
-	3,038,629	69,739,648
-	1,312,560	145,012,648
-	2,386,356	2,386,356
-	4,848,628	39,020,512
2,024,484	42,468,874	68,321,972
-	5,602	501,741,313
-	12,185,669	27,411,258
-	1,243,211	185,486,699
244,622	22,142,027	74,291,808
<u>2,269,106</u>	<u>97,425,529</u>	<u>1,534,311,920</u>
-	-	76,465,753
-	-	98,865,951
-	-	4,120,704
-	3,796	6,595,888
-	19,000,000	19,000,000
7,014	366,276	2,256,579
660	350,143	12,133,122
-	-	55,145
-	-	649,031
<u>7,674</u>	<u>19,720,215</u>	<u>220,142,173</u>
324,391,246	1,566,310	639,001,369
-	271,655,892	662,730,544
-	225,406,322	541,314,721
-	-	(135,789,167)
<u>324,391,246</u>	<u>498,628,524</u>	<u>1,707,257,467</u>
<u>\$ 326,668,026</u>	<u>\$ 615,774,268</u>	<u>\$ 3,461,711,560</u>

THE SESQUICENTENNIAL HOUSE OF CARDS

The Nevada Department of Conservation and Natural Resources made this replica of the Governor's Mansion out of NV150 playing cards. Governor Brian Sandoval is standing with the display.



Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position



NEVADA

June 30, 2014

Total fund balances - governmental funds

\$ 1,707,257,467

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$ 149,573,677	
Construction in progress	186,824,131	
Infrastructure assets	3,808,689,158	
Rights-of-way	620,527,855	
Buildings	1,643,589,580	
Improvements other than buildings	119,941,176	
Furniture and equipment	347,973,833	
Software costs	168,060,486	
Accumulated depreciation/amortization	(1,050,128,433)	
Total capital assets		5,995,051,463

Some of the State's revenues collected after year-end are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unavailable deferred inflows of resources in the funds.

219,437,997

Intergovernmental receivable not providing current resources.

221,045

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

85,510,648

The loss on early retirement of debt is reported as a deferred outflow of resources on the statement of net position and is amortized over the original remaining life of the old debt, or the life of the new debt, whichever is less.

13,978,220

Certain liabilities for settlement agreements are not due and payable in the current period and therefore are not reported in the funds.

(4,713,384)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds payable	(2,372,318,649)	
Accrued interest on bonds	(15,489,911)	
Certificates of participation	(97,410,877)	
Capital leases	(23,248,640)	
Compensated absences	(93,810,418)	
Total long-term liabilities		(2,602,278,495)

Net position of governmental activities

\$ 5,414,464,961

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2014

	General Fund	State Highway	Municipal Bond Bank
Revenues			
Gaming taxes, fees, licenses	\$ 913,960,497	\$ -	\$ -
Sales taxes	1,081,735,280	-	-
Modified business taxes	384,885,778	-	-
Insurance premium taxes	263,531,578	-	-
Property and transfer taxes	63,528,021	-	-
Motor and special fuel taxes	2,670,546	196,771,953	-
Other taxes	544,436,050	41,152,882	-
Intergovernmental	3,118,097,338	337,794,426	-
Licenses, fees and permits	289,651,654	194,200,165	-
Sales and charges for services	58,015,816	15,445,946	-
Interest and investment income	9,913,524	(1,975,551)	11,075,052
Settlement income	-	-	-
Land sales	-	-	-
Other	53,555,289	16,364,166	-
Total revenues	6,783,981,371	799,753,987	11,075,052
Expenditures			
<i>Current:</i>			
General government	112,075,644	-	-
Health and social services	3,490,662,679	-	-
Education and support services	30,192,041	-	-
Law, justice and public safety	435,425,591	159,597,058	-
Regulation of business	272,316,673	-	-
Transportation	-	452,820,764	-
Recreation and resource development	104,852,466	-	-
Intergovernmental	2,523,471,979	78,360,779	-
Capital outlay	-	-	-
<i>Debt service:</i>			
Principal	1,821,252	-	-
Interest, fiscal charges	1,309,192	1,787	-
Debt issuance costs	92,113	654,614	-
Arbitrage payments	493,602	-	-
Total expenditures	6,972,713,232	691,435,002	-
Excess (deficiency) of revenues over expenditures	(188,731,861)	108,318,985	11,075,052
Other Financing Sources (Uses)			
Sale of general obligation bonds	3,140,000	86,020,000	-
Sale of general obligation refunding bonds	-	-	-
Premium on general obligation bonds	206,121	14,653,279	-
Payment to refunded bond agent	-	-	-
Sale of certificates of participation	-	-	-
Sale of refunding certificates of participation	-	-	-
Premium on certificates of participation	-	-	-
Payment to refunded certificates of participation agent	-	-	-
Sale of capital assets	218,806	61,035	-
Transfers in	119,805,531	3,972,267	-
Transfers out	(30,799,275)	(8,276,144)	(26,280,391)
Total other financing sources (uses)	92,571,183	96,430,437	(26,280,391)
Net change in fund balances	(96,160,678)	204,749,422	(15,205,339)
Fund balances, July 1	371,018,840	149,007,493	270,827,959
Fund balances, June 30	\$ 274,858,162	\$ 353,756,915	\$ 255,622,620

The notes to the financial statements are an integral part of this statement.



NEVADA

Permanent School Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 13,863,433	\$ 927,823,930
-	-	1,081,735,280
-	-	384,885,778
-	-	263,531,578
-	146,255,683	209,783,704
-	70,100,866	269,543,365
-	106,603,199	692,192,131
-	96,435,263	3,552,327,027
-	24,549,211	508,401,030
-	16,860,355	90,322,117
1,551,338	4,832,902	25,397,265
-	40,120,320	40,120,320
1,932,509	-	1,932,509
4,003,179	9,354,259	83,276,893
7,487,026	528,975,491	8,131,272,927
-	681,161	112,756,805
-	103,165,238	3,593,827,917
-	652,998	30,845,039
-	27,043,743	622,066,392
-	21,121,493	293,438,166
-	-	452,820,764
-	27,829,075	132,681,541
-	36,195,140	2,638,027,898
-	29,740,827	29,740,827
-	164,200,000	166,021,252
-	105,560,279	106,871,258
-	1,535,041	2,281,768
-	236,602	730,204
-	517,961,597	8,182,109,831
7,487,026	11,013,894	(50,836,904)
-	51,885,000	141,045,000
-	4,125,000	4,125,000
-	6,152,793	21,012,193
-	(4,424,628)	(4,424,628)
-	50,445,000	50,445,000
-	35,785,000	35,785,000
-	2,794,120	2,794,120
-	(42,799,477)	(42,799,477)
-	55,559	335,400
-	68,414,610	192,192,408
(1,654,534)	(120,896,584)	(187,906,928)
(1,654,534)	51,536,393	212,603,088
5,832,492	62,550,287	161,766,184
318,558,754	436,078,237	1,545,491,283
\$ 324,391,246	\$ 498,628,524	\$ 1,707,257,467

SESQUICENTENNIAL MEDALLION



This bar of Nevada silver is from the Coeur Mine in Rochester, NV, and was on display at the Nevada State Museum. The silver bar was used to make the NV150 commemorative medallions.



Reconciliation of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities



NEVADA

For the Fiscal Year Ended June 30, 2014

Net change in fund balances - total governmental funds

\$ 161,766,184

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, the amounts are:

Capital outlay	\$ 271,655,152	
Depreciation expense	(68,585,172)	
Excess of capital outlay over depreciation expense		203,069,980

Debt proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from:

Bonds issued	(141,045,000)	
Refunding bonds issued	(4,125,000)	
Certificates of participation issued	(50,445,000)	
Refunding certificates of participation issued	(35,785,000)	
Premiums on debt issued	(23,806,313)	
Total bond proceeds		(255,206,313)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Bond principal retirement	161,301,677	
Certificates of participation retirement	2,385,000	
Payments to the bond refunding agent	47,224,105	
Capital lease payments	1,599,048	
Total long-term debt repayment		212,509,830

Internal service funds are used to charge the costs of certain activities to individual funds. The net revenue (loss) of the internal service funds is reported with governmental activities.

25,661,809

Because some revenues will not be collected for several months after the State's fiscal year end, they are not considered "available" and are not reported as revenues in the governmental funds. Unavailable deferred inflows of resources decreased by this amount.

(7,240,655)

In the statement of activities, the gain or loss on the sale of assets is reported, whereas in the governmental funds, only the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold.

(4,317,777)

In the statement of activities, prior year's unamortized debt issuance costs are expensed to comply with GASB 65

(11,770,670)

Amortization of deferred loss on early retirement of debt is reported as an expense for the statement of activities.

(17,716,457)

Amortization of premiums on bonds and certificates of participation is reported as a reduction of interest expense for the statement of activities.

18,207,668

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Decrease in pension asset	(268,106)	
Increase in accrued interest payable	(6,931)	
Increase in compensated absences	(2,402,991)	
Decrease in arbitrage liability	1,042,557	
Increase in settlement agreement liability	(4,713,384)	
Total additional expenditures		(6,348,855)

Change in net position of governmental activities

\$ 318,614,744

The notes to the financial statements are an integral part of this statement.

Statement of Net Position Proprietary Funds

June 30, 2014

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Assets							
Current assets:							
Cash and pooled investments:							
Cash with treasurer	\$ 588,175	\$ -	\$101,644,655	\$ 2,074,457	\$ 65,245,137	\$ 169,552,424	\$204,998,533
Cash in custody of other officials	573,607	170,891,408	-	229,963	213,281	171,908,259	-
Investments	52,468,527	-	-	191,919,850	-	244,388,377	-
Receivables:							
Accounts receivable	-	-	-	-	7,374,449	7,374,449	928,586
Assessments receivable	-	202,001,593	-	-	225	202,001,818	-
Intergovernmental receivables	-	-	610,045	-	276,116	886,161	651,015
Contracts receivable	-	-	-	8,924,543	-	8,924,543	-
Mortgages receivable	12,284,711	-	-	-	-	12,284,711	-
Accrued interest and dividends	7,767,643	-	4,054,939	418,700	-	12,241,282	-
Notes/loans receivable	-	-	-	-	-	-	5,000
Due from other funds	73,569	3,432,807	319,497	8,736	999,342	4,833,951	5,788,844
Due from fiduciary funds	-	-	-	-	15,241	15,241	2,997,085
Due from component units	-	-	-	-	-	-	178,233
Inventory	-	-	-	-	1,420,321	1,420,321	262,859
Prepaid items	-	-	3,724	1,490	251,359	256,573	530,929
Restricted assets:							
Investments	64,053,229	-	-	-	-	64,053,229	-
Total current assets	137,809,461	376,325,808	106,632,860	203,577,739	75,795,471	900,141,339	216,341,084
Noncurrent assets:							
Investments	160,404,377	-	293,086,497	-	-	453,490,874	-
Receivables:							
Contracts receivable	-	-	-	30,105,659	-	30,105,659	-
Mortgages receivable	448,779,941	-	-	-	-	448,779,941	-
Notes/loans receivable	51,853,147	-	12,265,132	-	-	64,118,279	85,000
Restricted assets:							
Investments	29,785,901	-	-	-	-	29,785,901	-
Other assets	-	-	-	-	15,000	15,000	2,565
Capital assets:							
Land	-	-	-	-	567,812	567,812	1,032,737
Buildings	-	-	-	-	3,388,840	3,388,840	20,392,485
Improvements other than buildings	-	-	-	-	630,647	630,647	3,839,621
Furniture and equipment	757,755	-	35,280	183,374	5,311,726	6,288,135	51,912,739
Software costs	-	-	-	-	-	-	15,323,810
Construction in progress	-	-	-	-	10,283,035	10,283,035	-
Less accumulated depreciation/ amortization	(423,908)	-	(35,280)	(58,206)	(8,320,892)	(8,838,286)	(67,059,829)
Total noncurrent assets	691,157,213	-	305,351,629	30,230,827	11,876,168	1,038,615,837	25,529,128
Total assets	828,966,674	376,325,808	411,984,489	233,808,566	87,671,639	1,938,757,176	241,870,212
Deferred Outflows of Resources							
Deferred charge on refunding	-	-	1,534,336	-	77,771	1,612,107	-
Total deferred outflows of resources	-	-	1,534,336	-	77,771	1,612,107	-



NEVADA

(Continued)

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Liabilities							
Current liabilities:							
<i>Accounts payable and accruals:</i>							
Accounts payable	\$ 27,019,342	\$ 9,947,876	\$ 56,898	\$ 100,356	\$ 12,730,873	\$ 49,855,345	\$ 7,212,133
Accrued payroll and related liabilities	110,937	-	21,331	9,587	1,279,351	1,421,206	1,877,538
Interest payable	3,585,414	3,431,245	1,197,816	-	43,322	8,257,797	-
Intergovernmental payables	-	-	9,275	-	25,346	34,621	75,057
Bank overdraft	-	-	-	-	-	-	4,099,293
Due to other funds	111,979	495,411	284,136	5,048,740	2,557,975	8,498,241	1,509,111
Due to fiduciary funds	-	-	-	-	99,501	99,501	13,179
Due to component units	-	-	-	-	200	200	32,842
Unearned revenues	-	-	-	-	9,700,100	9,700,100	13,943,456
Other liabilities	-	-	-	-	12,050	12,050	-
<i>Short-term portion of long-term liabilities:</i>							
Reserve for losses	-	-	-	-	-	-	64,074,268
Compensated absences	85,855	-	19,948	10,836	1,139,648	1,256,287	1,912,538
Benefits payable	-	-	-	15,959,629	-	15,959,629	-
Bonds payable	7,999,000	151,550,825	10,376,761	-	213,599	170,140,185	513,323
Obligations under capital leases	-	-	-	-	-	-	507,121
Arbitrage rebate liability	-	-	-	-	-	-	-
Total current liabilities	38,912,527	165,425,357	11,966,165	21,129,148	27,801,965	265,235,162	95,769,859
Noncurrent liabilities:							
Advances from funds	-	-	-	-	248,040	248,040	3,830,768
Reserve for losses	-	-	-	-	-	-	48,457,633
Compensated absences	72,494	-	9,329	5,720	657,321	744,864	1,403,246
Benefits payable	-	-	-	169,193,767	-	169,193,767	-
Bonds payable	599,795,277	448,112,408	68,852,945	-	8,672,281	1,125,432,911	5,249,572
Obligations under capital leases	-	-	-	-	-	-	1,338,626
Arbitrage rebate liability	-	571,064	-	-	-	571,064	-
Total noncurrent liabilities	599,867,771	448,683,472	68,862,274	169,199,487	9,577,642	1,296,190,646	60,279,845
Total liabilities	638,780,298	614,108,829	80,828,439	190,328,635	37,379,607	1,561,425,808	156,049,704
Net Position							
Net investment in capital assets	333,847	-	-	125,168	2,975,288	3,434,303	17,966,764
<i>Restricted for:</i>							
Tuition contract benefits	-	-	-	43,354,763	-	43,354,763	-
Security of outstanding obligations	186,643,952	-	-	-	-	186,643,952	-
Workers' compensation	-	-	-	-	37,114,884	37,114,884	-
Revolving loans	-	-	332,690,386	-	-	332,690,386	-
Regulation of business	-	-	-	-	2,000	2,000	-
Unrestricted (deficit)	3,208,577	(237,783,021)	-	-	10,277,631	(224,296,813)	67,853,744
Total net position	\$190,186,376	\$ (237,783,021)	\$332,690,386	\$ 43,479,931	\$ 50,369,803	378,943,475	\$ 85,820,508
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.						309,860	
Net position of business-type activities						\$ 379,253,335	

The notes to the financial statements are an integral part of this statement.

THE SESQUICENTENNIAL CUSTOM HARLEY

Las Vegas Harley-Davidson created the Nevada 150th Anniversary state bike, which was raffled off to benefit the Nevada 150 Foundation.



Lt. Governor Brian Krolicki talks to the media about the Nevada 150 Motorcycle during "Nevada Day" at the Reno Air Races.



Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds



NEVADA

For the Fiscal Year Ended June 30, 2014

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues							
Net premium income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 358,771,137
Sales	-	-	-	21,911,502	6,833,167	28,744,669	2,173,236
Assessments	-	537,120,329	-	-	251,814	537,372,143	-
Charges for services	-	-	123,751	152,200	14,746,524	15,022,475	45,886,598
Rental income	-	-	-	-	83,159	83,159	19,533,976
Interest income on loans/notes	12,327,241	-	8,800,064	-	-	21,127,305	-
Federal government	-	142,725,174	8,741,917	-	-	151,467,091	-
Licenses, fees and permits	-	-	-	-	46,620,661	46,620,661	-
Fines	-	-	-	-	3,631,707	3,631,707	-
Other	3,675,884	1,392,558	-	-	960,027	6,028,469	362,159
Total operating revenues	16,003,125	681,238,061	17,665,732	22,063,702	73,127,059	810,097,679	426,727,106
Operating Expenses							
Salaries and benefits	1,846,457	-	358,841	153,803	34,523,583	36,882,684	35,097,145
Operating	5,387,857	-	4,253,012	512,194	14,950,056	25,103,119	35,626,287
Claims and benefits expense	-	536,790,532	-	20,641,465	6,231,281	563,663,278	201,366,533
Interest on bonds payable	17,881,780	-	2,388,311	-	-	20,270,091	-
Materials or supplies used	-	-	-	-	3,334,657	3,334,657	843,170
Servicers' fees	108,556	-	-	-	-	108,556	-
Depreciation	38,369	-	-	17,822	392,926	449,117	2,889,194
Bond issuance costs	2,138,319	-	840,690	-	-	2,979,009	-
Insurance premiums	-	-	-	-	-	-	128,459,800
Total operating expenses	27,401,338	536,790,532	7,840,854	21,325,284	59,432,503	652,790,511	404,282,129
Operating income (loss)	(11,398,213)	144,447,529	9,824,878	738,418	13,694,556	157,307,168	22,444,977
Nonoperating Revenues (Expenses)							
Interest and investment income	8,401,367	1,917,406	(336,845)	24,954,546	203,341	35,139,815	1,042,727
Interest expense	-	(11,853,517)	-	-	(350,877)	(12,204,394)	(8,582)
Bond issuance costs	-	(3,023,777)	-	-	(141,054)	(3,164,831)	-
Federal grant revenue	4,772,040	-	-	-	5,274,669	10,046,709	-
Federal grant expense	(4,572,464)	-	-	-	-	(4,572,464)	-
Reed Act expenses	-	(7,085)	-	-	-	(7,085)	-
Gain (loss) on disposal of assets	-	-	-	-	5,778	5,778	68,182
Arbitrage rebate	-	(571,064)	-	-	-	(571,064)	-
Total nonoperating revenues (expenses)	8,600,943	(13,538,037)	(336,845)	24,954,546	4,991,857	24,672,464	1,102,327
Income (loss) before transfers	(2,797,270)	130,909,492	9,488,033	25,692,964	18,686,413	181,979,632	23,547,304
Special Items and Transfers							
Special item - settlement	-	-	-	-	330,000	330,000	-
Transfers in	98,812	7,615,373	-	2,334,084	13,720	10,061,989	2,483,279
Transfers out	-	(2,936,617)	(1,431,820)	-	(12,382,547)	(16,750,984)	(79,764)
Change in net position	(2,698,458)	135,588,248	8,056,213	28,027,048	6,647,586	175,620,637	25,950,819
Net position, July 1	192,884,834	(373,371,269)	324,634,173	15,452,883	43,722,217	-	59,869,689
Net position, June 30	\$ 190,186,376	\$ (237,783,021)	\$ 332,690,386	\$ 43,479,931	\$ 50,369,803		\$ 85,820,508
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.						289,010	
Change in net position of business-type activities						\$ 175,909,647	

The notes to the financial statements are an integral part of this statement.

Statement of Cash Flows Proprietary Funds

For the Fiscal Year Ended June 30, 2014

	Enterprise Funds					Internal Service Funds	
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds		Totals
Cash flows from operating activities							
Receipts from customers and users	\$ 13,953,875	\$ 536,122,938	\$ 123,751	\$ 15,276,900	\$ 73,545,904	\$ 639,023,368	\$ 53,815,207
Receipts for interfund services provided	13,657	2,105,630	-	11,423	3,472,524	5,603,234	289,209,203
Receipts from component units	-	-	-	-	-	-	75,718,194
Receipts of principal on loans/notes	71,731,944	-	23,877,618	-	-	95,609,562	5,000
Receipts of interest on loans/notes	25,004,314	-	8,966,028	-	-	33,970,342	-
Receipts from federal government	-	142,725,174	8,550,689	-	-	151,275,863	-
Payments to suppliers, other governments and beneficiaries	(7,568,616)	(541,664,021)	(4,156,445)	(4,855,601)	(17,079,202)	(575,323,885)	(349,962,373)
Payments to employees	(1,683,923)	-	(353,316)	(148,872)	(33,224,222)	(35,410,333)	(35,065,725)
Payments for interfund services	(1,166,450)	-	(115,801)	(101,234)	(7,799,378)	(9,182,863)	(18,787,978)
Payments to component units	-	-	-	(5,523,385)	(42,151)	(5,565,536)	(160,207)
Purchase of loans and notes	(18,084,601)	-	(5,215,585)	-	-	(23,300,186)	-
Net cash provided by (used for) operating activities	82,200,200	139,289,721	31,676,939	4,659,231	18,873,475	276,699,566	14,771,321
Cash flows from noncapital financing activities							
Grant receipts	4,772,040	-	-	-	6,141,406	10,913,446	-
Advances from federal government	-	136,952,892	-	-	-	136,952,892	-
Proceeds from sale of bonds	19,369,386	608,303,783	5,295,055	-	-	632,968,224	-
Transfers and advances from other fund	98,812	17,424,412	-	2,334,084	13,720	19,871,028	5,156,555
Settlement receipts	-	-	-	-	330,000	330,000	-
Payment on federal advance	-	(710,909,538)	-	-	-	(710,909,538)	-
Payment on refunding bonds	-	-	(2,227,419)	-	-	(2,227,419)	-
Principal paid on noncapital debt	(151,461,337)	-	(10,535,000)	-	-	(161,996,337)	-
Interest paid on noncapital debt	(19,612,987)	(30,310,191)	(3,077,585)	-	-	(53,000,763)	-
Issue costs	-	(3,023,777)	-	-	-	(3,023,777)	-
Transfers and advances to other funds	-	(2,872,764)	(1,422,192)	-	(12,455,867)	(16,750,823)	(79,764)
Payments to other governments and organizations	(4,572,464)	-	-	-	-	(4,572,464)	-
Net cash provided by (used for) noncapital financing activities	(151,406,550)	15,564,817	(11,967,141)	2,334,084	(5,970,741)	(151,445,531)	5,076,791
Cash flows from capital and related financing activities							
Proceeds from sale of capital assets	-	-	-	-	17,845	17,845	93,522
Purchase of capital assets	(12,687)	-	-	(21,500)	(115,275)	(149,462)	(6,314,569)
Principal paid on capital debt	-	-	-	-	(175,670)	(175,670)	(1,312,224)
Interest paid on capital debt	-	-	-	-	(422,896)	(422,896)	(8,582)
Payments on construction projects	-	-	-	-	(94,561)	(94,561)	-
Net cash provided by (used for) capital and related financing activities	(12,687)	-	-	(21,500)	(790,557)	(824,744)	(7,541,853)
Cash flows from investing activities							
Proceeds from sale of investments	641,068,785	-	-	46,519,251	-	687,588,036	-
Purchase of investments	(529,670,119)	-	-	(55,941,366)	-	(585,611,485)	-
Interest, dividends and gains (losses)	8,979,163	1,917,406	(440,319)	3,086,277	136,609	13,679,136	948,744
Issuance of note to related party	(51,000,000)	-	-	-	-	(51,000,000)	-
Net cash provided by (used for) investing activities	69,377,829	1,917,406	(440,319)	(6,335,838)	136,609	64,655,687	948,744
Net increase (decrease) in cash	158,792	156,771,944	19,269,479	635,977	12,248,786	189,084,978	13,255,003
Cash and cash equivalents, July 1	1,002,990	14,119,464	82,375,176	1,668,443	53,209,632	152,375,705	191,743,530
Cash and cash equivalents, June 30	\$ 1,161,782	\$ 170,891,408	\$101,644,655	\$ 2,304,420	\$ 65,458,418	\$ 341,460,683	\$ 204,998,533



NEVADA

(Continued)

	Enterprise Funds					Totals	Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds		
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities							
Operating income (loss)	\$ (11,398,213)	\$ 144,447,529	\$ 9,824,878	\$ 738,418	\$ 13,694,556	\$ 157,307,168	\$ 22,444,977
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities							
Depreciation	38,369	-	-	17,822	392,926	449,117	2,889,194
Interest on bonds payable	17,881,780	-	2,388,311	-	-	20,270,091	-
Decrease (increase) in loans and notes receivable	66,673,067	-	18,662,033	-	-	85,335,100	5,000
Decrease (increase) in accrued interest and receivables	553,654	(284,319)	(25,264)	(6,775,379)	(5,142,662)	(11,673,970)	(601,435)
Decrease (increase) in inventory, deferred charges, other assets	2,138,319	-	778,151	(1,490)	(185,345)	2,729,635	(399,421)
Increase (decrease) in accounts payable, accruals, other liabilities	6,313,224	(4,873,489)	48,830	10,679,860	10,114,000	22,282,425	(9,566,994)
Total adjustments	93,598,413	(5,157,808)	21,852,061	3,920,813	5,178,919	119,392,398	(7,673,656)
Net cash provided by (used for) operating activities	\$ 82,200,200	\$ 139,289,721	\$ 31,676,939	\$ 4,659,231	\$ 18,873,475	\$ 276,699,566	\$ 14,771,321
Noncash investing, capital and financing activities							
Capital assets acquired under lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,139,826
Increase (decrease) in fair value of investments	-	-	-	21,891,757	-	21,891,757	-

The notes to the financial statements are an integral part of this statement.

Statement of Fiduciary Net Position

Fiduciary Funds



NEVADA

June 30, 2014

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
Assets				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 1,787,619	\$ -	\$ 6,516,804	\$ 86,478,471
Cash in custody of other officials	1,023,056,223	2,984,669	13,634,171	32,749,915
<i>Investments:</i>				
Investments	1,253,459	1,069,475,059	14,217,750,721	216,538,645
Fixed income securities	8,793,311,478	-	-	-
Marketable equity securities	14,355,624,219	-	-	-
International securities	7,680,531,021	-	-	-
Real estate	1,337,751,979	-	-	-
Alternative investments	1,111,639,569	-	-	-
Collateral on loaned securities	541,523,662	-	-	-
<i>Receivables:</i>				
Accrued interest and dividends	100,182,820	2,431,911	4,191,871	-
Taxes receivable	-	-	-	55,691,934
Trades pending settlement	136,040,433	4,665,484	432,252	-
Intergovernmental receivables	101,108,106	-	44,719	16,521
Contributions receivable	-	-	11,650,516	-
Other receivables	4,377	-	-	96,690
Due from other funds	127,599	-	162,669	501,563,725
Due from fiduciary funds	19,120,277	-	-	11,536,380
Due from component unit	1,330,987	-	-	1,202,326
Other assets	2,240,330	-	-	-
Furniture and equipment	39,174,100	-	48,222	-
Accumulated depreciation	(35,282,196)	-	(48,222)	-
Total assets	35,210,526,062	1,079,557,123	14,254,383,723	905,874,607
Liabilities				
<i>Accounts payable and accruals:</i>				
Accounts payable	12,786,796	143,255	2,702,584	-
Accrued payroll and related liabilities	-	-	714	1,025,191
Intergovernmental payables	-	3,717	18,597	561,623,730
Redemptions payable	-	-	6,210,610	-
Trades pending settlement	979,585,668	8,473,477	5,055,978	-
Bank overdraft	-	-	70,000	-
Obligations under securities lending	541,523,662	-	-	-
Due to other funds	2,997,085	26,917	1,223,699	-
Due to fiduciary funds	41,991	-	25,516	30,589,150
<i>Other liabilities:</i>				
Deposits	-	-	-	307,418,846
Other liabilities	-	-	-	5,217,690
Total liabilities	1,536,935,202	8,647,366	15,307,698	905,874,607
Net Position				
<i>Held in trust for:</i>				
Employees' pension benefits	33,672,067,369	-	-	-
OPEB benefits	1,523,491	-	-	-
Pool participants	-	1,070,909,757	-	-
Individuals	-	-	14,239,076,025	-
Total net position	\$ 33,673,590,860	\$ 1,070,909,757	\$ 14,239,076,025	\$ -

The notes to the financial statements are an integral part of this statement.

Statement of Changes in Fiduciary Net Position

Fiduciary Funds



NEVADA

For the Fiscal Year Ended June 30, 2014

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds
Additions			
<i>Contributions:</i>			
Employer	\$ 1,444,909,524	\$ -	\$ -
Plan members	109,683,264	-	-
Participants	-	-	3,383,635,370
Repayment and purchase of service	42,752,491	-	-
Total contributions	1,597,345,279	-	3,383,635,370
<i>Investment income:</i>			
Net increase (decrease) in fair value of investments	4,189,445,061	27,109,713	1,581,529,549
Interest, dividends	802,785,110	13,289,158	267,582,885
Securities lending	8,075,580	-	-
Other	91,594,469	-	-
	5,091,900,220	40,398,871	1,849,112,434
Less investment expense:			
Other	(45,162,435)	(40,841)	-
Net investment income	5,046,737,785	40,358,030	1,849,112,434
<i>Other:</i>			
Investment from local governments	-	851,001,257	-
Reinvestment from interest income	-	431,158	-
Other	1,987,587	255	-
Total other	1,987,587	851,432,670	-
Total additions	6,646,070,651	891,790,700	5,232,747,804
Deductions			
Principal redeemed	-	914,016,727	2,215,500,426
Benefit payments	1,857,389,257	-	19,058,005
Refunds	23,047,743	-	-
Contribution distributions	990,121	-	-
Dividends to investors	-	482,697	-
Administrative expense	9,721,813	628,727	26,511,044
Total deductions	1,891,148,934	915,128,151	2,261,069,475
Change in net position	4,754,921,717	(23,337,451)	2,971,678,329
Net position, July 1	28,918,669,143	1,094,247,208	11,267,397,696
Net position, June 30	\$ 33,673,590,860	\$ 1,070,909,757	\$ 14,239,076,025

The notes to the financial statements are an integral part of this statement.

Combining Statement of Net Position Discretely Presented Component Units



NEVADA

June 30, 2014

	Major Component Units		Nonmajor Component Unit	
	Colorado River Commission	Nevada System of Higher Education	Nevada Capital Investment Corporation	Total
Assets				
Cash and pooled investments	\$ 12,903,667	\$ 257,355,000	\$ -	\$ 270,258,667
Investments	-	1,228,065,000	5,747,639	1,233,812,639
Due from primary government	75,116	27,369,184	-	27,444,300
Accounts receivable	11,977,437	36,254,816	-	48,232,253
Intergovernmental receivables	-	37,087,000	-	37,087,000
Accrued interest and dividends	26,743	-	-	26,743
Notes/loans receivable	-	12,887,000	-	12,887,000
Other receivables	-	83,162,000	-	83,162,000
Inventory	-	6,713,000	-	6,713,000
Prepaid expenses	44,141,235	-	-	44,141,235
<i>Restricted assets:</i>				
Cash	9,694,940	77,072,000	-	86,766,940
Investments	-	38,515,000	-	38,515,000
Other assets	-	54,207,000	-	54,207,000
<i>Capital assets:</i>				
Land, infrastructure and construction in progress	-	145,040,000	-	145,040,000
Other capital assets, net	48,433,042	1,756,776,000	-	1,805,209,042
Total assets	127,252,180	3,760,503,000	5,747,639	3,893,502,819
Deferred Outflows of Resources				
Deferred charge on refunding	2,377,149	11,729,000	-	14,106,149
Total deferred outflows of resources	2,377,149	11,729,000	-	14,106,149
Liabilities				
Accounts payable	4,913,136	51,361,111	-	56,274,247
Accrued payroll and related liabilities	-	69,874,000	-	69,874,000
Interest payable	1,179,024	10,712,000	-	11,891,024
Due to primary government	43,923	347,889	-	391,812
Unearned revenues	147,593	50,922,000	-	51,069,593
Other liabilities	17,224,525	33,325,000	-	50,549,525
<i>Long-term liabilities:</i>				
<i>Portion due or payable within one year:</i>				
Obligations under capital leases	-	954,000	-	954,000
Compensated absences	206,870	30,883,000	-	31,089,870
Bonds payable	4,804,000	24,239,000	-	29,043,000
<i>Portion due or payable after one year:</i>				
Federal advances	-	8,209,000	-	8,209,000
Obligations under capital leases	-	1,634,000	-	1,634,000
Compensated absences	131,697	16,947,000	-	17,078,697
Bonds payable	93,162,365	494,557,000	-	587,719,365
Due to primary government	-	-	5,402,968	5,402,968
Total liabilities	121,813,133	793,965,000	5,402,968	921,181,101
Deferred Inflows of Resources				
Donations	-	10,071,000	-	10,071,000
Total deferred inflows of resources	-	10,071,000	-	10,071,000
Net Position				
Net investment in capital assets	1,736,293	1,460,491,000	-	1,462,227,293
<i>Restricted for:</i>				
Capital projects	-	57,594,000	-	57,594,000
Debt service	-	21,116,000	-	21,116,000
Education and support services	-	-	344,671	344,671
Scholarships	-	404,249,000	-	404,249,000
Loans	-	8,296,000	-	8,296,000
Operations and maintenance	712,019	-	-	712,019
Research and development	8,125,768	-	-	8,125,768
Other purposes	-	2,949,000	-	2,949,000
<i>Funds held as permanent investments:</i>				
Nonexpendable	-	353,220,000	-	353,220,000
Unrestricted (deficit)	(2,757,884)	660,281,000	-	657,523,116
Total net position	\$ 7,816,196	\$ 2,968,196,000	\$ 344,671	\$ 2,976,356,867

The notes to the financial statements are an integral part of this statement.

Combining Statement of Activities Discretely Presented Component Units



NEVADA

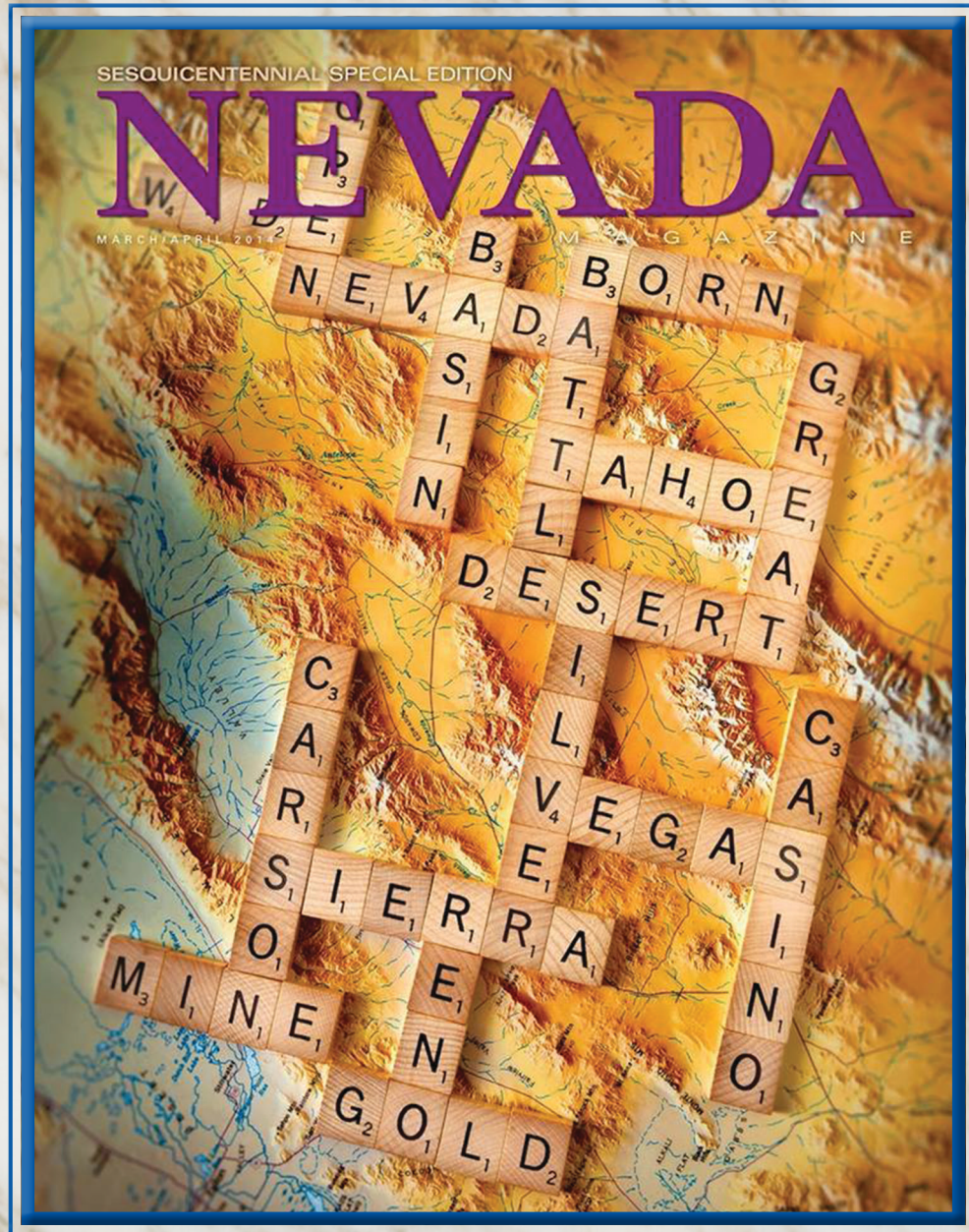
For the Fiscal Year Ended June 30, 2014

	Major Component Units		Nonmajor Component Unit	
	Colorado River Commission	Nevada System of Higher Education	Nevada Capital Investment Corporation	Total
Expenses	\$ 67,051,303	\$ 1,600,030,000	\$ 33,092	\$ 1,667,114,395
Program Revenues				
Charges for services	65,182,858	649,889,000	-	715,071,858
Operating grants and contributions	-	436,873,000	-	436,873,000
Capital grants and contributions	-	10,177,000	-	10,177,000
Total program revenues	65,182,858	1,096,939,000	-	1,162,121,858
General Revenues				
Unrestricted investment earnings	26,735	162,017,000	694,088	162,737,823
Gain on sale of assets	-	2,815,000	-	2,815,000
Other general revenues	59,652	4,714,000	-	4,773,652
Contributions to permanent funds	-	9,264,000	-	9,264,000
Payments from State of Nevada	-	500,562,000	-	500,562,000
Total general revenues	86,387	679,372,000	694,088	680,152,475
Change in net position	(1,782,058)	176,281,000	660,996	175,159,938
Net position, July 1	9,598,254	2,791,915,000	(316,325)	2,801,196,929
Net position, June 30	\$ 7,816,196	\$ 2,968,196,000	\$ 344,671	\$ 2,976,356,867

The notes to the financial statements are an integral part of this statement.

THE NEVADA MAGAZINE

SESQUICENTENNIAL EDITION





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Note 1 - Summary of Significant Accounting Policies

The accompanying financial statements of the State of Nevada (the State) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Description of Government-wide Financial Statements

The Government-wide Financial Statements, which consist of the Statement of Net Position and the Statement of Activities, report information on all non-fiduciary activities of the primary government and its component units. All fiduciary activities, including component units that are fiduciary in nature, are reported only in the fund financial statements. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

For financial reporting purposes, the State's reporting entity includes the "primary government" and its "component units." The primary government includes all funds, departments, agencies, and those authorities that are considered an integral part of the State's activities. Component units are legally separate organizations for which the State's elected officials are financially accountable. The State's component units have a June 30 year-end.

The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and either: 1) the ability of the State to impose its will on that organization; or 2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State. When the State does not appoint a voting majority of an organization's governing body, GASB requires inclusion in the reporting entity based on financial accountability if: 1) the organization is both fiscally dependent on the State and there is the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State; or 2) it would be misleading to exclude the organization.

Fiduciary Component Units: The following fiduciary component units are legally separate from the State. The State is financially accountable for these organizations since it appoints the voting majority of the boards and is able to impose its will on them through the ability to remove appointed members of the organization's governing board. Since these component units are fiduciary in nature, they are included only in the fund

financial statements with the primary government's fiduciary funds. Therefore, these component units are excluded from the government-wide financial statements.

The *Public Employees' Retirement System* (PERS), the *Legislators' Retirement System* (LRS) and the *Judicial Retirement System* (JRS) are administered by a seven-member board appointed by the Governor. PERS is the administrator of a cost-sharing, multiple-employer, defined benefit public employees' retirement system established to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability. LRS is the administrator of a single-employer public employees' defined benefit retirement system established to provide a reasonable base income to Legislators at retirement. JRS is the administrator of an agent multiple-employer public employees' defined benefit retirement system established to provide a reasonable base income to justices of the Supreme Court, district judges, municipal court judges, and justices of the peace at retirement.

The *Retirement Benefits Investment Fund* (RBIF) was created for the sole purpose of providing an investment vehicle for monies belonging to either the State or local government other post employment benefit trust funds. RBIF is administered by the Retirement Benefits Investment Board, which consists of the same members as the Public Employees' Retirement Board.

Blended Component Unit: The *Nevada Real Property Corporation* (NRPC) is a legally separate organization. The State is financially accountable for NRPC since it appoints the board of directors, and NRPC provides a financial benefit to the State by providing financing services. NRPC was incorporated to finance certain construction projects which include office buildings, a transitional residential facility and a warehouse, all financed by the issuance of certificates of participation. Upon completion of construction, the NRPC leases the facilities to the State. Since the NRPC provides financing services solely to the State, these financial transactions are reported as part of the primary government using the blended method.

Discretely Presented Component Units: A component unit should be included in the reporting entity financial statements using the discrete presentation method if the component unit's governing body is not substantively the same as the governing body of the primary government, the component unit does not provide services entirely or almost entirely to the primary government, and the component unit's total debt outstanding is not expected to be repaid entirely or almost entirely with resources of the primary government. The following discretely presented component units meet these criteria and are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the State.



NEVADA

(Note 1 Continued)

The *Nevada System of Higher Education* (NSHE) is a legally separate organization consisting of the institutions of public higher education in Nevada, the NSHE Administration entity, and their component units. NSHE is governed by a Board of Regents elected by the voters. NSHE is considered to be fiscally dependent on the primary government since the State can modify and approve their budgets. In addition, NSHE imposes a financial burden on the primary government since the State provides financial support to NSHE through annual operating and capital appropriations.

The *Colorado River Commission* (CRC) is a legally separate organization responsible for managing Nevada's interests in the water and power resources available from the Colorado River. It is governed by seven commissioners, a majority of whom are appointed by the State: four are appointed by the Governor and three are appointed by the board of directors of the Southern Nevada Water Authority. The State is financially accountable for CRC since bonds issued by the CRC are backed by the full faith and credit of the State of Nevada, which creates the potential for a financial burden to the State. CRC provides services to citizens through the distribution and sale of electric power.

The *Nevada Capital Investment Corporation* (NCIC) is a legally separate organization whose board of directors consists of the State Treasurer, who serves as the chair; five members that are appointed by the primary government; and the Chancellor of NSHE, or his designee. Up to five additional members of the board may be chosen who are direct investors of the corporation. The NCIC is an independent corporation for public benefit, the general purpose of which is to act as a limited partner, shareholder or member to provide private equity funding to businesses located in or seeking to locate in Nevada, and engage in certain industries. The amount invested in the NCIC is not to exceed \$50 million from the State Permanent School Fund. The State is financially accountable for NCIC since it is able to impose its will through veto power by the State Treasurer.

Complete financial statements for each of the individual component units, with the exception of the *Nevada Real Property Corporation*, which has no other financial activity than that described above, may be obtained at that organization's administrative offices:

Public Employees' Retirement System

Carson City, NV

Legislators' Retirement System

Carson City, NV

Judicial Retirement System

Carson City, NV

Retirement Benefits Investment Fund

Carson City, NV

Nevada System of Higher Education

Reno, NV

Colorado River Commission

Las Vegas, NV

Nevada Capital Investment Corporation

Carson City, NV

Related Organizations: The Governor is responsible for appointing the members of many boards and commissions. The State's accountability for these entities does not extend beyond making the appointments and thus these entities are excluded from this report. The State does not exercise financial or administrative control over the excluded boards and commissions.

C. Basis of Presentation

Government-Wide Financial Statements: While separate government-wide and fund financial statements are presented, they are interrelated. On the government-wide financial statements, the governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As discussed earlier, the State has three discretely presented component units which are shown in a single column in the government-wide financial statements.

In general, the effect of interfund activity has been removed from the government-wide financial statements. Overhead costs have been removed to minimize the double counting of internal activities, but interfund services provided and used have been retained, as their elimination would distort the measurement of the cost of individual functional activities. Internal activities of a reimbursement type nature reduce the expenses of the reimbursed programs. Certain centralized costs have been included as part of the program expenses reported for the various functions and activities. The net amount of interfund receivables and payables between governmental activities and business-type activities are reported as internal balances on the government-wide statement of net position. The net amount of transfers between governmental activities and business-type activities are reported as transfers on the government-wide statement of activities.

Fund Financial Statements: The fund financial statements provide information about the government's funds, including its fiduciary and blended component units. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.



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(Note 1 Continued)

The State reports the following major governmental funds:

General Fund – this is the State’s primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

State Highway Fund - accounts for the maintenance, regulation, and construction of public highways and is funded through vehicle fuel taxes, federal funds, and other charges.

Municipal Bond Bank Fund - accounts for revenues and expenditures associated with buying local governments’ bonds with proceeds of State general obligation bonds.

Permanent School Fund - accounts for certain property and the proceeds derived from such property, escheated estates, and all fines collected under penal laws of the State, which become permanent assets of the fund. All earnings on the assets are to be used for education.

The State reports the following major enterprise funds:

Higher Education Tuition Trust Fund – accounts for the State program to assist Nevada residents in locking in the cost of future higher education expenses for Nevada colleges and universities. This program is financed through the sale of prepaid tuition contracts.

Housing Division Fund - accounts for the State program to assist private lenders in providing low interest housing loans to low- and moderate-income households. This program is financed through the sale of bonds.

Unemployment Compensation Fund - accounts for the payment of unemployment compensation benefits.

Water Projects Loans Fund - accounts for revenues and expenses associated with operating a revolving fund to finance local government pollution control projects, and with operating revolving and set-aside program funds to finance local public water systems’ safe drinking water projects.

Additionally, the State reports the following fund types:

Internal Service Funds - provide goods or services primarily to other agencies or funds of the State rather than to the general public. These goods and services include accounting, communications, information technology, fleet services, personnel, printing, property management, purchasing and risk management. In the government-wide statements, internal service funds are included with governmental activities.

Pension and Other Employee Benefit Trust Funds - report resources that are required to be held in trust for the members and beneficiaries of the State’s defined benefit pension plans and other post-employment benefit plans.

Investment Trust Funds - report resources received from local governments that are either pooled in an external investment portfolio for the benefit of all participants or separated into subaccounts of identified investments allocated to specific participating local governments. Examples include the Local Government Investment Pool, the Nevada Enhanced Savings Term and the Retirement Benefits Investment Fund.

Private Purpose Trust Funds - report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. Examples include the Prisoners’ Personal Property and the Nevada College Savings Plan.

Agency Funds - report assets and liabilities for deposits and investments entrusted to the State as an agent for others. Examples of funds in this category include state agency fund for bonds, motor vehicle, and child support disbursement.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual; that is, when they become both measurable and available. “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The State considers revenues to be available if they are collected within 60 days after year-end. Those revenues susceptible to accrual are gaming revenues, sales taxes, other taxes as described in Note 13, interest revenue and charges for services. Fines and permit revenues are not susceptible to accrual because they are generally not measurable until received in cash.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments are recorded only when payment is due or when amounts have been accumulated in



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(Note 1 Continued)

the debt service fund for payments to be made early in the following year. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The proprietary, pension and other employee benefit trust, investment trust, and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash and Pooled Investments - The State Treasurer manages a cash pool where all temporary surplus cash is invested. These investments are reported on the Statement of Net Position and Balance Sheet as cash and pooled investments. Earnings from these pooled investments are credited to the General Fund and certain other funds that have specific statutory authority to receive a prorated share based on daily cash balances. Also included in this category is cash held by departments in petty cash funds and in bank accounts outside the Treasurer's cash management pool. The operations and investments of the cash pool are described in Note 3.

Cash and cash equivalents are defined as bank accounts, petty cash, money market demand accounts and certificates of deposit with original maturities of three months or less. Cash and cash equivalents are reported in the Statement of Cash Flows for proprietary fund types.

Investments - Investments are stated at fair value. Fair value is defined as the price at which an asset passes from a willing seller to a willing buyer. It is assumed that both buyer and seller are rational and have a reasonable knowledge of relevant facts. Short-term investments are generally reported at cost, which approximates fair value, except for the short-term investments of the Nevada College Savings Plan that are valued at amortized cost, which approximates fair value. Securities, traded on a national or international exchange, are valued at the last reported sale price of the day. International securities prices incorporate end-of-day exchange rates. The fair value of real estate investments is based on estimated current value, and MAI (Member Appraisal Institute) independent appraisals. Investments that do not have an established market are reported at estimated fair value.

The Local Government Investment Pool, the Nevada Enhanced Savings Term Investment Trust and the Retirement Benefits Investment Fund are reported as investment trust funds. The investments of the Local Government Investment Pool and the Nevada Enhanced Savings Term Investment Trust are subject to the general limitations of NRS 355.170. The investments of the Retirement Benefits Investment Fund are governed by the

prudent person standard, as set forth by NRS 286.682. Security transactions are accounted for on the trade date (the date the order to buy or sell is executed). Interest income is determined on an accrual basis with discounts earned and premiums paid being amortized. Realized gains and losses, if any, on sales of securities are calculated using the amortized cost basis at the date of sale. The fair value of the position in the pool is the same as the value of the pool shares. Wells Fargo Trust Operations is the custodian and transfer agent for both the Local Government Investment Pool and the Nevada Enhanced Savings Term Investment Trust funds. The Bank of New York Mellon is the custodian and transfer agent for the Retirement Benefits Investment Fund.

Derivatives are generally valued at quoted market value. Under the circumstance where quoted market values are not considered to be readily available, such derivatives are reported at estimated fair value and the methods and significant assumptions used are described in Note 3D. Investments are discussed further in Note 3.

Receivables - Receivables represent amounts due to the State at June 30, which will be collected sometime in the future. In the government-wide financial statements, a corresponding amount is recorded as revenue. In the governmental fund financial statements, the portions considered "available" (i.e., received by the State within approximately 60 days after year-end) are recorded as revenue; the remainder is recorded as deferred inflows of resources, unavailable revenue. Receivables in proprietary fund types have arisen in the ordinary course of business. All receivables are shown net of an allowance for uncollectible accounts. Significant receivable balances not expected to be collected within one year are presented in Note 4.

Interfund Transactions - The State has two types of interfund transactions:

1. Services rendered and employee benefit contributions are accounted for as revenues, expenditures/expenses in the funds involved.
2. Operating appropriations and subsidies are accounted for as transfers in the funds involved.

Due from/due to other funds and transfers are presented in Note 5.

Inventories - In general, inventories in governmental funds are recorded as expenditures when purchased; however, certain inventories in the General Fund, the Highway Fund, and non-major governmental funds are recorded as expenditures at the time individual inventory items are consumed. Inventories are stated at cost on the first-in, first-out basis. Inventory items in the governmental funds are offset by nonspendable fund balance to indicate that they will not be converted to cash.



(Note 1 Continued)

Prepaid Items – Prepaid items reflect payments for costs applicable to future accounting periods and are recorded in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. Prepaid items in the governmental funds are offset by nonspendable fund balance to indicate that they will not be converted to cash.

Advances to Other Funds - Long-term interfund advances are recorded by the advancing fund as a receivable. These amounts are reported in the nonspendable fund balance in the General Fund to maintain the accountability and to disclose properly the amount available for appropriation. In other governmental funds this amount will be reported in restricted, committed, or assigned fund balances. Repayments are credited to the receivable and corresponding reductions are made in the appropriate fund balance. A summary of interfund advances is presented in Note 5.

Capital Assets and Depreciation - An inventory of State-owned land, buildings and equipment was developed in 1985. All capital assets are recorded in the Statement of Net Position at historical cost or estimated historical cost, based on acquisition of comparable property or agency records, if actual historical cost is not available. Donated capital assets are stated at appraised fair value at the time of donation or estimated fair value at time of donation, based on acquisition of comparable property, if appraised fair value is not available. The government defines capital assets as assets with a unit cost of \$5,000 or more for furniture and equipment, or \$100,000 or more for buildings and improvements, and an estimated useful life in excess of one year. Interest incurred during construction is only capitalized in proprietary funds.

Most capital assets are depreciated principally on a straight-line basis over estimated useful lives of 40 years for structures and 3 to 30 years for improvements, furniture and equipment. The State's significant infrastructure assets utilize the modified approach in which costs to maintain and preserve these assets are expensed and no depreciation expense is recorded. This approach is discussed further in the Required Supplementary Information portion of this report. In the Nevada System of Higher Education, capital assets are defined as assets with an initial unit cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are stated at cost at the date of acquisition or fair value at date of donation in the case of gifts. Depreciation is computed on a straight-line basis over estimated useful lives of 40 years for buildings, 15 years for land improvements and 3 to 18 years for library books, machinery and equipment. Additional disclosure related to capital assets is provided in Note 7.

Compensated Absences – A liability for compensated absences relating to services already rendered and that are not contingent on a specified event is accrued as employees earn the rights to the benefits. Compensated absences relating to

future services or that are contingent on a specified event will be accounted for in the period those services are rendered or those events take place. Proprietary fund types report accrued compensated absences as liabilities in the appropriate funds. Governmental funds report a liability and expenditure for compensated absences only if the liability has matured as a result of employee resignations or retirements. Thus no expenditure would be recognized in governmental funds for the unpaid balance of compensated absences for employees still in active service at the end of the reporting period. On the Statement of Net Position, the accrued compensated absences for both proprietary and governmental fund types is reported.

Long-Term Obligations - In the government-wide statements and proprietary fund financial statements, long-term debt and other long-term liabilities are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures. Long-Term Obligations are more fully described in Note 9.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources, which represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. An example is the deferred charge on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources, which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. An example is unavailable revenue, reported in the governmental funds balance sheet when revenue is measureable but not available. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position/Fund Balance - The difference between fund assets, deferred outflows of resources, liabilities and deferred inflows of resources is "Net Position" on the government-wide, proprietary and fiduciary fund statements, and "Fund Balance" on governmental fund statements.



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(Note 1 Continued)

In governmental fund financial statements, fund balances are classified based primarily on the extent to which the State is bound to observe constraints imposed upon the use of the resources in the fund as follows:

- Nonspendable fund balance includes items that cannot be spent because they are either not in spendable form (such as municipal securities, inventories, prepaid amounts and in the General Fund long-term portion of loans/notes receivables) or legally or contractually required to be maintained intact (such as the principal of a permanent fund).
- Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through constitutional provisions or enabling legislation.
- Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Nevada Legislature, through legislation passed into law.
- Assigned fund balance includes amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Assignments of fund balance are created by the executive branch.
- Unassigned fund balance is the residual amount of the General Fund not included in the four categories above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

Each fund has been analyzed for proper classification of fund balance. Funds are created by the Legislature and money is authorized to be transferred to the fund for a particular purpose. Balances in the Legislatively created funds are at least committed, and may be further restricted depending on whether there is an external party, constitutional provision, or enabling legislation constraint involved. Note 12 provides a disaggregation of governmental fund balances, nonspendable, restricted, committed, and unassigned.

Net Position/Fund Balance Flow Assumptions - The State's policy is to spend restricted amounts first when an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available. Therefore, restricted net position/fund balance is depleted before using unrestricted net position/fund balance. In governmental funds, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, the assumed order of spending is first committed, assigned and then unassigned.

Minimum Fund Balance Policy - NRS 353.213(3) requires that the proposed budget for each fiscal year of the biennium

provide for a reserve of not less than 5% or more than 10% of the total of all proposed appropriations from the State General Fund for the operation of all departments, institutions and agencies of the State and authorized expenditures from the State General Fund for the regulation of gaming for that fiscal year.

Stabilization Arrangement - NRS 353.288 provides for the Account to Stabilize the Operation of the State Government (Stabilization Account) in the State General Fund. Additions to the stabilization arrangement are triggered at the end of a fiscal year if the General Fund unrestricted fund balance (budgetary basis) exceeds 7% of General Fund operating appropriations. Forty percent of the excess is deposited to the Stabilization Account, and is classified on the balance sheet as committed for fiscal emergency. Expenditures may occur only if actual revenues for the biennium fall short by 5% or more from anticipated revenues, or if the Legislature and Governor declare that a fiscal emergency exists. The balance in the Stabilization Account committed for fiscal emergency at June 30, 2014 is \$28,061,106.

F. Revenues and Expenditures/Expenses

Program Revenues - In the government-wide statement of activities, program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenues.

Property Taxes - Property taxes are recognized as revenues in the year for which they are levied. Property taxes are levied July 1 on property values assessed by the prior January 1. Property tax billings are payable in quarterly installments on the third Monday in August and the first Monday in October, January and March, after which time the bill is delinquent.

Grants - The State participates in various federal award programs which are received in both cash and noncash forms. Grants and other entitlements are recognized as revenues when all eligibility requirements are met, including any time requirements, and the amount is received within 60 days after year-end. Federal reimbursement type grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received within 60 days after year-end. Certain grants have matching requirements in which the State must contribute a proportionate share of the total costs of a program. Use of grant resources is conditioned upon compliance with terms of the grant agreements and applicable federal regulations, which include subjecting grants to financial and compliance audits.

*(Note 1 Continued)*

Proprietary Funds Operating and Nonoperating Revenues and Expenses - Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and

producing and delivering goods in connection with a proprietary fund's principal, ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note 2 - Budgetary and Legal Compliance

Budgetary Process and Control

The Governor must submit his proposed budget for the Executive Branch to the State Legislature not later than 14 calendar days before each regular session, which convenes every odd-numbered year. The presented budget spans the next two fiscal years and contains the detailed budgetary estimates of revenues and expenditures. The Legislature enacts the budget through passage of the General Appropriations Act, which allows expenditures from unrestricted revenues, and the Authorized Expenditures Act, which allows expenditures from revenues collected for specific purposes. Once passed and signed, the budget becomes the State's financial plan for the next two fiscal years.

The legal level of budgetary control, the level at which appropriations are approved and the level at which over-expenditure of appropriations or transfers of appropriated amounts may not occur without Legislative action, is at the total program level within each department or agency.

Limited budgetary revisions may be made without Legislative action through the following management/administrative procedures. After obtaining the approval of the Governor, or his designee, the Budget Director, Legislative Interim Finance Committee (LIFC) approval is required of those revisions in excess of \$30,000 which have the effect, when taken into consideration with all other changes during the fiscal year, of increasing or decreasing any legislatively approved expenditure level by 10% or \$75,000, whichever is less. Revisions not exceeding this threshold require only Budget Director approval. The LIFC approval is not equivalent to governing body approval, as total appropriations for a program may not be increased except as follows. The Legislature appropriates limited funds to the Contingency Account, in the General Fund, which may be allocated to programs by the LIFC upon recommendation of the Board of Examiners. Allocations totaling \$13,533,722 were made in the 2014 fiscal year. Unencumbered appropriations lapse at the end of each fiscal

year unless specific authority to carry forward is granted in the Appropriations Act. Unexpended authorized resources, under the Authorized Expenditures Act, are carried forward for expenditure in the next fiscal period.

Budgets are legally adopted for the General Fund and Special Revenue Funds, except for the Nevada Real Property Corporation special revenue fund. In addition, certain activity within such funds may be unbudgeted. The State's budget is prepared principally on a modified accrual basis with the following exceptions:

1. Cash placed in petty cash funds or outside bank accounts is considered expended for budgetary purposes.
2. Advances to other funds are considered expenditures. Repayments of such advances are considered revenues.
3. Certain assets, such as prepaid items, are considered expended for budgetary purposes. Inventory is an expenditure for budgetary purposes. Certain unearned revenue is considered revenue for budgetary purposes.
4. Expenditures are only recognized if the liability is liquidated within 45 days after the fiscal year end.
5. Revenue from grants is only recognized when it is received in cash.
6. Encumbrances for goods or services not received by fiscal year end are considered an expenditure of the current period if received and paid within 45 days.

The Budgetary Comparison Schedule is presented as Required Supplementary Information (RSI) in this report. Actual amounts in this schedule are presented on a budgetary basis. Because this basis differs from accounting principles generally accepted in the United States of America (GAAP), a reconciliation between the budgetary and GAAP basis is presented in the RSI.



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Note 3 - Deposits and Investments

The Nevada Revised Statutes (NRS) and Nevada Administrative Code, as well as procedures approved by the State Board of Finance, govern deposits and investing activities for the primary government and its discretely presented component units which are not expressly required by law to be received and kept by another party. NRS 226.110(3) further requires that the Office of the State Treasurer shall establish the policies to be followed in the investment of money of the State of Nevada.

A. Deposits

Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds - The State minimizes its custodial credit risk by legislation establishing a program to monitor a collateral pool for public deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the State's deposits may not be recovered. The NRS direct the Office of the State Treasurer to deposit funds into any state, or national bank, credit union or savings and loan association covered by federal depository insurance. For those deposits over and above the federal depository insurance maximum balance, sufficient collateral must be held by the financial institution to protect the State of Nevada against loss. The pooled collateral for deposits program maintains a 102% pledged collateral for all public deposits. As of June 30, 2014, the bank balance of the primary government, private purpose trust, pension and other employee benefit trust, and investment trust funds totaled \$338,984,492, of which \$11,621,357 was uncollateralized and uninsured.

Component Units - Cash and cash equivalents of the Nevada System of Higher Education (NSHE) are stated at cost, which approximates market, and consist of deposits in money market funds, which are not federally insured, and cash in the bank. At June 30, 2014 NSHE's deposits in money market funds totaled \$208,105,000 and cash in bank was \$5,714,000. Of these balances, \$250,000 are covered by the Federal Depository Insurance Corporation (FDIC); the remaining deposits are uncollateralized and uninsured.

B. Investments

NRS 355.140 details the types of securities in which the State may invest. In general, authorized investments include: certificates of deposit, asset-backed securities, bankers' acceptances and commercial paper, collateralized mortgage obligations, corporate notes, municipal bonds, money market mutual funds whose policies meet the criteria set forth in the statute, United States treasury securities, and specific securities implicitly guaranteed by the federal government. Additionally, the State may invest in limited types of repurchase agreements; however, statutes generally prohibit the State from entering into reverse-repurchase agreements. The

State's Permanent School Fund is further limited by statute as to the types of investments in which it may invest (NRS 355.060). Cash and Investments are also discussed in Note 1 under Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance.

The State Board of Finance reviews the State's investment policies at least every four months. The Board is comprised of the Governor, the State Controller, the State Treasurer and two members appointed by the governor, one of which must be actively engaged in commercial banking in the State.

Investments held in the Local Government Investment Pool (LGIP), Retirement Benefits Investment Fund (RBIF), and Nevada Enhanced Savings Term (NVEST) are specifically identifiable investment securities and are included in the following tables. LGIP, RBIF, and NVEST are investment trust funds and discussed further in Note 1, Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance. LGIP and NVEST are governed by the Nevada State Board of Finance and administered by the Nevada State Treasurer. Complete financial statements for LGIP and NVEST may be obtained from the State Treasurer's Office, 101 N. Carson Street, Suite 4, Carson City, NV 89701. RBIF is administered by the Retirement Benefits Investment Board. The audited financial statements of RBIF may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds - The State minimizes interest rate risk by maintaining an effective duration of less than 1.5 years and holding at least 25% of the portfolio's total market value in securities with a maturity of 12 months or less. However, the benchmark used by the State Treasurer to determine whether competitive market yields are being achieved is the 90 day U.S. Treasury Bill's average over the previous three month period (Rolling 90 day T-Bill). Investment policies for the pension and other employee benefit trust funds authorize all securities within the Barclays Aggregate Index benchmark. If securities are purchased outside the Barclays Aggregate Index, they must be of investment grade rating by at least two of the following: Moody's, Standard & Poor's or Fitch (BBB- or better by Standard & Poor's/Fitch, Baa3 or better by Moody's) except those issued or guaranteed by the U.S. Government or its agencies. The following table provides information about the interest rate risks associated with the State's investments as of June 30, 2014 (expressed in thousands):



(Note 3 Continued)

	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
U. S. Treasury securities	\$ 3,515,491	\$ 264,464	\$ 2,380,729	\$ 504,485	\$ 365,813
Negotiable certificate of deposit	25,000	25,000	-	-	-
U. S. agencies	5,099,659	1,284,779	631,568	224,495	2,958,817
Mutual funds	100,806	100,806	-	-	-
Asset backed corporate securities	522,285	180,955	181,124	144,795	15,411
Corporate bonds and notes	2,865,256	79,680	1,242,885	752,864	789,827
Commercial paper	65,242	65,242	-	-	-
Fixed income securities	27,549	27,549	-	-	-
International investments	332,555	2,000	165,522	75,312	89,721
Municipal bonds	666,026	34,983	82,612	78,743	469,688
Investment agreements	1,513	-	-	-	1,513
Other short-term investments	1,109,276	1,106,724	2,552	-	-
Collateralized mortgage obligations	236,752	26,413	33,794	18,355	158,190
Other investments	253	253	-	-	-
Total	\$ 14,567,663	\$ 3,198,848	\$ 4,720,786	\$ 1,799,049	\$ 4,848,980

The Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to interest rate risk for the investments. The mutual funds held by Vanguard, USAA, Upromise, and Putnam have various maturities from 36 days to 12 years and are not included in the table above.

Component Units – The Nevada System of Higher Education’s (NSHE) policy for reducing its exposure to interest rate risk is to have an average investment life of at least two years for fixed income securities within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and, therefore, currently has no policies with regard to interest rate risk for these investments. Investments having interest rate risk are principally invested in mutual funds and private commingled funds. The following table provides the segmented time distribution for these investments at June 30, 2014 (expressed in thousands):

Less than 1 year	\$ 186,125
1 to 5 years	182,172
6 to 10 years	67,429
More than 10 years	-
Total	\$ 435,726

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the State of Nevada.

Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds - NRS 355.140, the State Treasurer’s investment policy, and investment policies of the pension and other employee benefit trust and investment trust funds all address credit risk. A summary of the policies is presented as follows:

- Commercial paper, Negotiable Certificates of Deposit, and Bankers’ Acceptances are rated by a nationally recognized rating service as “A-1,” “P-1” or its equivalent, or better,
- Notes, bonds and other unconditional obligations issued by corporations in the U.S. and municipal bonds (effective September 2011) are rated by a nationally recognized rating service as “A” or its equivalent, or better,
- Money market mutual funds are SEC registered 2(A)7 and rated by a nationally recognized rating service as “AAA” or its equivalent,
- Collateralized mortgage obligations and asset-backed securities are rated by a nationally recognized rating service as “AAA” or its equivalent,
- Repurchase agreements with banks or registered broker-dealers provided the agreement is collateralized by 102% with U.S. Treasuries or U.S. government agency securities on a delivery basis.

In addition to the above provisions, investment policies for the pension and other employee benefit trust funds allow investment in corporate bonds, assets-related instruments, and foreign debt issued in the U.S. rated by at least two of the following: Moody’s, Standard & Poor’s, or Fitch (BBB- or better by Standard & Poor’s/Fitch, Baa3 or better by Moody’s). The Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to credit risk for the investments. Investments having credit risk are included in the table below.

The State’s investments as of June 30, 2014 were rated by Standard & Poor’s and/or an equivalent national rating organization, and the ratings are presented below using the Standard & Poor’s rating scale (at fair value, expressed in thousands):



(Note 3 Continued)

	Quality Rating						Unrated
	AAA	AA	A	BBB	BB	B	
Negotiable certificate of deposit	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -
U.S. agencies	32,706	3,221,894	850,831	390	-	-	819,186
Mutual funds	100,806	-	-	-	-	-	13,955,127
Asset backed corporate securities	125,017	161,969	163,426	7,259	597	401	13,358
Corporate bonds and notes	92,328	435,843	1,199,521	1,084,766	7,576	-	35,200
Commercial paper	-	-	65,242	-	-	-	-
Fixed income securities	-	-	-	-	-	-	27,484
International investments	91,650	36,051	48,797	109,456	-	-	46,600
Municipal bonds	-	666,026	-	-	-	-	-
Investment agreements	-	-	947	566	-	-	-
Other short-term investments	82,940	9,302	54,497	-	-	-	1,045,403
Collateralized mortgage obligations	64,423	62,212	22,300	30,701	2,300	-	52,600
Total	\$ 589,870	\$ 4,593,297	\$ 2,430,561	\$ 1,233,138	\$ 10,473	\$ 401	\$ 15,994,958

As of June 30, 2014, the State of Nevada held debt obligations of Lehman Brothers Holdings Inc. On September 14, 2008, Lehman Brothers Holdings Inc. declared bankruptcy. The State recovered \$13.6 million from the bankruptcy proceedings. On July 14, 2014, the State sold its share of the bonds for an additional \$10 million. However, debt obligations of Lehman Brothers Holdings Inc. held by the State were marked to market at June 30, 2014.

Component Unit – The NSHE’s policy for reducing its exposure to credit risk is to maintain a weighted average credit rating of AA or better, and never below A, for investments with credit risk within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and therefore, it currently has no policies with regard to credit risk for these investments. The credit risk profile for NSHE operating and endowment investments at June 30, 2014 is as follows (at fair value, expressed in thousands):

	Unrated
Mutual funds publicly traded	\$ 637,712
Partnerships	87,180
Endowment cash/cash equivalents	1,068
Trust(s)	6,024
Private commingled funds	101,970
Total	\$ 833,954

Concentration of Credit Risk: Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government’s investment in a single issuer. The NRS 355.140, 355.060, and the State Treasurer’s investment policy limit the investing in any one issuer to 5% of the total par value of the portfolio, with the exception of the Housing Division and the Investment Trust Funds. At June 30, 2014, the following investments exceeded 5% of the Primary Government and Investment Trust Funds’ total investments (expressed in thousands):

	Fair Value	Percentage
Primary government		
Federal Home Loan Bank	\$ 868,694	25.49%
So Nevada Water Authority	196,035	5.75%
Investment Trust Funds		
Federal Home Loan Bank	285,950	25.03%
Federal National Mortgage Assoc	94,045	8.23%

At June 30, 2014, the following investments exceeded 5% of the Higher Education Tuition Trust’s total investments (expressed in thousands):

	Fair Value	Percentage
Federal Home Loan Mortgage Corp-		
U.S. Agency Coupon Security	\$ 14,551	7.58%
Federal National Mortgage Association-		
Asset-Backed Mortgage Security	11,932	6.22%

The Housing Division currently places no limit on the amount it may invest in any one issuer provided their ratings are in the highest two general rating categories. However, the Housing Division monitors rating changes on all issuers. If warranted, more concentrated investments may have to be diluted to alternative investment providers. As of June 30, 2014, the Housing Division’s investments in Fannie Mae and Ginnie Mae are 1.08% and 54.61% respectively, of the Housing Division’s total investments. The Fannie Mae and Ginnie Mae investments are in mortgage backed securities matched to the interest rate and maturity of the underlying bonds. Because such investments are matched to concomitant liabilities, the Housing Division is less concerned about a concentration risk on these investments.

Component Unit - The Nevada Capital Investment Corporation (NCIC) owns 99% equity interest in Silver State Opportunities Fund LLC (SSOF), a Nevada limited liability company, for the purpose of obtaining income. At June 30, 2014 the investment in equity interest of SSOF exceeded 5% of NCIC’s total investments.

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014



NEVADA

(Note 3 Continued)

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit.

Primary Government, Pension and Other Employee Benefit Trust Funds, and Investment Trust Funds - The primary government does not have a policy regarding foreign currency risk; however, the State Treasurer's office does not have any deposits or investments in foreign currency. The PERS, LRS, JRS, and RBIF do have foreign currency policies for deposit and investments, which may be used for portfolio diversification and hedging. Highly speculative positions in currency are not permitted. LRS and JRS had no exposure to foreign currency risk as of June 30, 2014. The following table summarizes the pension and investment trust funds' exposure to foreign currency risk in U.S. dollars as of June 30, 2014 (expressed in thousands):

	Currency by Investment and Fair Value			
	Equity	Derivatives	Cash	Total
Australian Dollar	\$ 486,735	\$ 400	\$ 802	\$ 487,937
British Pound Sterling	1,351,838	(2,100)	6,232	1,355,970
Danish Krone	93,543	-	-	93,543
Euro	1,958,548	-	8,537	1,967,085
Hong Kong Dollar	177,994	200	1,215	179,409
Israeli Shekel	32,658	-	103	32,761
Japanese Yen	1,273,744	900	475	1,275,119
Norwegian Krone	8,666	-	1	8,667
Polish Zloty	54,442	-	401	54,843
Singapore Dollar	88,402	100	609	89,111
Swedish Krona	191,929	200	203	192,332
Swiss Franc	567,303	300	102	567,705
Total	\$ 6,285,802	\$ -	\$ 18,680	\$ 6,304,482

Private Purpose Trust Fund - The Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to foreign currency risk for the investments. The Plan consists of Vanguard College Savings Plan, USAA College Savings Plan, Upromise College Fund Plan, and Putnam for America Plan which all state that there are certain inherent risks involved when investing in international securities through mutual funds that are not present with investments in domestic securities, such as foreign currency exchange rate fluctuations, adverse political and economic developments, natural disasters and possible prevention or delay of currency exchange due to foreign governmental laws or restrictions. The investments held in Putnam for America Plan consist of the portfolios managed and sponsored by Putnam Investment Management, Putnam Mutual Funds, and non-Putnam Mutual Funds. Both mutual funds pose no foreign currency risk. The following table summarizes foreign currency risk for the GAA portfolios in U.S. dollars as of June 30, 2014 (expressed in thousands):

	Currency at Fair Value
Japanese Yen	\$ 3
Taiwan Dollar	16
Total	\$ 19

Component Unit - The NSHE does not directly invest in foreign currency investments and is therefore not subject to

foreign currency risk. However, it has \$235,603,000 in mutual funds in both the operating and endowment pools that are primarily invested in international equities at June 30, 2014.

C. Securities Lending

Primary Government and Investment Trust Funds - NRS 355.135 authorizes the State Treasurer to lend securities from the investment portfolio of the State if collateral received from the borrower is at least 102% of market value of the underlying securities and the value of the securities borrowed is determined on a daily basis. There were no securities on loan at June 30, 2014 (excluding PERS).

Public Employees' Retirement System (PERS) - The system also maintains a securities lending program under the authority of the "prudent person" standard of NRS 286.682. Securities loaned under this program consist of U.S. Treasury Obligations, corporate fixed income securities, international fixed income securities, equity securities, and international equity securities. Collateral received consists of cash and securities issued by the U.S. Government, its agencies or instrumentalities. Collateral received for the lending of U.S. securities must equal at least 102% of market value, plus accrued interest in the case of fixed income securities. Collateral received for the lending of international securities must equal at least 105% of market value, plus accrued interest in the case of fixed income securities.



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(Note 3 Continued)

At year-end, PERS has no credit risk exposure to borrowers because the associated value of the collateral held exceeds the value of the securities borrowed. PERS has no discretionary authority to sell or pledge collateral received or securities loaned. The contract with the securities lending agent requires the agent to indemnify PERS for all losses relating to securities lending transactions. There were no losses resulting from borrower default during the period nor were there any recoveries of prior period losses.

PERS may only loan up to 33 1/3% of its total portfolio. Either PERS or the borrower can terminate all securities loans on demand. In September 2013 the Board elected to allow only overnight repurchase agreements collateralized by U.S. government obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities within the reinvestment portfolio. This action effectively eliminated risk in securities lending collateral reinvestment portfolio since securities issued or guaranteed by the U.S. government are considered to be free of credit risk. The maturities of the investments made with cash collateral generally do not match the maturities of the securities loaned because securities lending transactions can be terminated at will.

The fair value of underlying securities on loan at June 30, 2014 is \$1,524,913,444. Collateral received for outstanding securities lending arrangements consisted of cash in the amount of \$541,523,662 and non-cash in the amount of \$1,023,419,860. The cash collateral is reported on the Statement of Fiduciary Net Position as an asset with a related liability. At June 30, 2014, PERS has collateral consisting of cash and securities issued by the U.S. Government, its agencies or instrumentalities, in excess of the market value of investments held by brokers/dealers under a securities lending agreement.

D. Derivatives

Primary Government – The Office of the State Treasurer’s investment policies do not contain any specific language regarding derivatives other than prohibiting certain types of derivatives such as option contracts, futures contracts, and swaps in the General Portfolios and the Local Government Investment Pool effective June 2012 and September 2011 respectively. The primary government has no exposure to derivatives as of June 30, 2014.

Pension and Other Employee Benefit Trust Funds, and Investment Trust Funds – The PERS, LRS, JRS, and RBIF have exposure to derivatives as of June 30, 2014. Furthermore, the State Retirees’ Health and Welfare Benefits Fund, an other employee benefit trust fund, has investments held with the RBIF. Foreign exchange forward contracts are periodically employed by PERS, LRS, JRS, and RBIF to hedge currency risk of investments in foreign currencies. No other derivatives are permitted within these portfolios. Generally, derivatives are subject both to market risk and to counterparty risk. The derivatives utilized typically have no greater market risk than their physical counterparts and, in many cases, are offset by exposures elsewhere in the portfolios. Counterparty risk, the risk that the “other party” to a contract will default, is managed by careful screening of counterparties. Derivative securities are priced and accounted for at fair value. Foreign exchange forward contracts are valued at the price at which the transaction could be settled by offsets in the forward markets. The PERS, LRS, JRS, and RBIF’s derivative transactions for fiscal year 2014 are summarized in the following table (expressed in thousands):

Foreign Exchange Contracts					
	Purchases	Realized Gain (Loss)	Sells	Realized Gain (Loss)	Total Realized Gain (Loss)
Australian Dollar	\$ 117,739	\$ 922	\$ (51,713)	\$ 375	\$ 1,297
British Pound Sterling	101,838	(19)	(248,569)	(442)	(461)
Canadian Dollar	13,638	34	(90,699)	76	110
Danish Krone	27,728	(23)	(44,640)	58	35
Euro	182,468	(257)	(976,026)	2,585	2,328
Hong Kong Dollar	20,216	2	(9,530)	(2)	-
Israeli Shekel	8,949	1	(2,814)	45	46
Japanese Yen	402,610	(357)	(775,234)	6,154	5,797
Malaysian Ringgit	-	-	(5,281)	11	11
Mexican New Peso	1,632	(7)	(17,545)	90	83
New Zealand Dollar	2,695	10	(410)	2	12
Norwegian Krone	13,643	47	(69,509)	47	94
Polish Zloty	1,302	9	(13,478)	40	49
S African Comm Rand	3,644	(26)	(12,216)	(28)	(54)
Singapore Dollar	3,148	-	(20,861)	62	62
Swedish Krona	39,685	(74)	(21,454)	(137)	(211)
Swiss Franc	71,394	(210)	(89,690)	220	10
Total	\$ 1,012,329	\$ 52	\$ (2,449,669)	\$ 9,156	\$ 9,208

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014



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(Note 3 Continued)

The PERS derivative pending transactions as of June 30, 2014, are summarized in the following table (expressed in thousands):

	Foreign Exchange Contracts				
	Purchases	Unrealized Gain (Loss)	Sells	Unrealized Gain (Loss)	Total Unrealized Gain (Loss)
Australian Dollar	\$ 416	\$ 1	\$ -	\$ -	\$ 1
British Pound Sterling	-	-	(2,150)	(10)	(10)
Danish Krone	37	-	-	-	-
Hong Kong Dollar	102	-	-	-	-
Japanese Yen	930	1	-	-	1
Norwegian Krone	33	-	-	-	-
Singapore Dollar	109	-	-	-	-
Swedish Krona	219	2	-	-	2
Swiss Franc	332	1	-	-	1
Total	\$ 2,178	\$ 5	\$ (2,150)	\$ (10)	\$ (5)

Management believes that it is unlikely that any of the derivatives in the portfolios could have a material adverse effect on their financial condition. In addition, the credit, market, or legal risks are not above and beyond those risks apparent by the nature of the type of investment for any of the securities contained within the portfolios.

Private Purpose Trust Fund – Certain investments in the Nevada College Savings Plan are managed by Putnam Investment Management through Putnam sponsored portfolios (the Portfolios) and mutual funds. The Portfolios use seven types of derivatives: futures contracts, forward currency contracts, OTC (over-the-counter) total return swap contracts, OTC and CC (centrally cleared) interest rate swap contracts, and OTC and centrally cleared credit default contracts. Currently, there is no written investment policy with regard to derivatives for the Portfolios. All seven types of derivatives are considered investments. The fair value amount in the table below represents the unrealized appreciation (depreciation) from derivative instruments and is reported in the Statement of Fiduciary Net Position. The net increase (decrease) in fair value is reported as investment income on the Statement of Changes in Fiduciary Net Position. The Portfolios' investment derivative instruments as of June 30, 2014, and changes in fair value for the year then ended are summarized in the following table (expressed in thousands):

	Contracts/ Notional Amounts	Fair Value	Change in Fair Value
OTC Interest Rate Swap Contracts, gross	\$ -	\$ -	\$ 143
CC Interest Rate Swap Contracts, gross	8,397	28	28
OTC Total Return Swap Contracts, gross	15,861	(6)	4
OTC Credit Default Contracts, gross	868	33	87
CC Credit Default Contracts, gross	18,220	248	248
Forward Currency Contracts, net	48,648	(181)	163
Futures Contracts, gross	-	31	168
Total	\$ 91,994	\$ 153	\$ 841

The Portfolios use futures contracts to manage interest rate risk, gain exposure to interest rates, manage prepayment risk, equitize cash, and manage exposure to market risk. The potential risk is that the change in value of futures contracts may not correspond to the change in value of the managed instruments.

In addition, losses may arise from changes in the value of the underlying instruments if there is an illiquid secondary market for the contracts, if interest or exchange rates move unexpectedly, or if the counterparty to the contract is unable to perform. Futures contracts are valued at the quoted daily settlement prices established by the exchange on which they trade. Risks may exceed amounts recognized on the Statement of Fiduciary Net Position. The Portfolios and the broker agree to exchange an amount of cash equal to the daily fluctuation in the value of the futures contract. Such receipts or payments are known as "variation margin."

The Portfolios buy and sell forward currency contracts, which are agreements between two parties to buy and sell currencies at a set price on a future date. These contracts are used to manage foreign exchange risk and to gain exposure on currency. The contract is marked to market daily using current forward currency exchange rates supplied by a quotation service. The Portfolios may be exposed to risk if the value of currency changes unfavorably, if the counterparties to the contracts are unable to meet the terms of their contracts or if the Portfolios are unable to enter into a closing position. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Position.

The Portfolios entered into OTC total return swap contracts, which are arrangements to exchange a market linked return for a periodic payment, both based on a notional principal amount, to manage sector exposure, manage exposure to specific sectors or industries, manage exposure to credit risk, and gain exposure to specific markets or countries. To the extent that the total return of the security, index or other financial measure underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the Portfolios will receive a payment from or make a payment to the counterparty. OTC total return swap contracts are marked to market daily based upon quotations from an independent pricing service or market makers. The Portfolios could be exposed to credit or market risk due to unfavorable changes in the fluctuation of interest rates

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014



NEVADA

(Note 3 Continued)

or the price of the underlying security or index, the possibility that there is no liquid market for these agreements or that the counterparty may default on its obligation to perform. The Portfolios' maximum risk of loss from counterparty risk is the fair value of the contract. This risk may be mitigated by having a master netting arrangement between the Portfolios and the counterparty. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Position.

The Portfolios entered into OTC and/or centrally cleared interest rate swap contracts to manage interest rate risk and to gain exposure on interest. OTC and centrally cleared interest rate swap contracts are marked to market daily based upon quotations from an independent pricing service or market makers. The Portfolios could be exposed to credit or market risk due to unfavorable changes in the fluctuation of interest rates or if the counterparty defaults, in the case of OTC interest rate contracts, or the central clearing agency or a clearing member defaults, in the case of centrally cleared interest rate swap contracts, on its respective obligation to perform. This risk may be mitigated for OTC interest rate swap contracts by having a master netting arrangement between the Portfolios and the counterparty and for centrally cleared interest rate swap contracts through the daily exchange of variation margin. There is minimal counterparty risk with respect to centrally cleared interest rate swap contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Position.

The Portfolios entered into OTC and/or centrally cleared credit default contracts to manage credit risk and market risk, and gain exposure on individual names and/or baskets of securities. In an OTC and centrally cleared credit default contracts, the protection buyer typically makes a periodic stream of payments to a counterparty, the protection seller, in exchange for the right to receive a contingent payment upon the occurrence of a credit event on the reference obligation or all other equally ranked obligations of the reference entity. Credit events are contract specific but may include bankruptcy, failure to pay, restructuring and obligation acceleration. The OTC and

centrally cleared credit default contracts are marked to market daily based upon quotations from an independent pricing service or market makers. In addition to bearing the risk that the credit event will occur, the Portfolios could be exposed to market risk due to unfavorable changes in interest rates or in the price of the underlying security or index or the possibility that it may be unable to close out its position at the same time or at the same price as if it had purchased the underlying reference obligations. In certain circumstances, the Portfolios may enter into offsetting OTC and centrally cleared credit default contracts which could mitigate their risk of loss. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Position. The Portfolios' maximum risk of loss from counterparty risk, either as the protection seller or as the protection buyer, is the fair value of the contract. This risk may be mitigated for OTC credit default contracts by having a master netting arrangement between the Portfolios and the counterparty and for centrally cleared credit default contracts through the daily exchange of the variation margin. Counterparty risk is further mitigated with respect to centrally cleared credit default contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Where the Portfolios are a seller of protection, the maximum potential amount of future payments it may be required to make is equal to the notional amount.

Derivative instruments held by the Portfolios were not individually rated by a ratings agency for the reporting period. With futures, there is minimal counterparty credit risk to the Portfolios since futures are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default. Centrally cleared contracts are not considered brokered contracts and have mitigated risks.

Derivative instruments are subject to interest rate risk. Prices of longer term maturities generally change more in response to interest rate changes than the prices of shorter term maturities. The following table provides information about the interest rate risks associated with the types of investment derivative instruments as of June 30, 2014 (expressed in thousands):

	Maturities in Years				
	Less than 1	1-5	6-10	Greater than 10	Total
CC Interest Rate Swap Contracts	\$ -	\$ 9	\$ 23	\$ (4)	\$ 28
OTC Total Return Swap Contracts	(6)	-	-	-	(6)
OTC Credit Default Contracts	-	-	-	33	33
CC Credit Default Contracts	-	248	-	-	248
Forward Currency Contracts	(181)	-	-	-	(181)
Futures Contracts	31	-	-	-	31
Total	\$ (156)	\$ 257	\$ 23	\$ 29	\$ 153

The Portfolios' investments in foreign securities are subject to foreign currency risk. The following table provides information about the foreign exchange contracts from open/pending forward contracts as of June 30, 2014 (expressed in thousands):



(Note 3 Continued)

Forward Currency Contracts					
	Buy	Fair Value	Sell	Fair Value	Total Fair Value
Australian Dollar	\$ 2,059	\$ 36	\$ 3,759	\$ (68)	\$ (32)
Brazilian Real	2,432	31	1,628	(3)	28
British Pound	1,375	23	2,482	(49)	(26)
Canadian Dollar	2,090	58	3,082	(104)	(46)
Chilean Peso	195	(2)	305	(6)	(8)
Columbian Peso	204	10	203	(7)	3
Czech Koruna	122	1	122	(1)	-
Danish Krone	-	-	116	(1)	(1)
Euro	493	3	5,626	(34)	(31)
Hong Kong Dollar	-	-	134	-	-
Hungarian Forint	-	-	110	1	1
Indian Rupee	617	(4)	-	-	(4)
Indonesian Rupiah	230	(5)	230	2	(3)
Japanese Yen	553	4	4,301	(53)	(49)
Mexican Peso	783	9	458	-	9
New Taiwan Dollar	-	-	346	(2)	(2)
New Zealand Dollar	3,470	77	2,041	(47)	30
Norwegian Krone	2,733	(46)	589	8	(38)
Polish Zloty	118	1	-	-	1
Singapore Dollar	-	-	408	(3)	(3)
South African Rand	114	(3)	227	(1)	(4)
South Korean Won	552	10	-	-	10
Swedish Krona	621	(4)	2,624	(1)	(5)
Swiss Franc	28	-	816	(10)	(10)
Thai Baht	126	(1)	126	-	(1)
Total	\$ 18,915	\$ 198	\$ 29,733	\$ (379)	\$ (181)

At the end of the reporting period the Portfolios had the following foreign currency exposure (expressed in thousands):

	Foreign Currency
Japanese Yen	\$ 3
New Taiwan Dollar	16
Total	\$ 19

Note 4 - Receivables

Receivable balances are disaggregated by type and presented separately in the financial statements. Significant receivable balances not expected to be collected within one year and not already classified in the fund financials are presented below (expressed in thousands):

	Major Funds		
	General	Permanent School Fund	Total
As shown on financial statements:			
Intergovernmental receivables	\$ 348,552	\$ 357	\$ 348,909
Notes/loans receivable	16,267	-	16,267
Due from Component Unit	211	5,403	5,614
Total	\$ 365,030	\$ 5,760	\$ 370,790
Classified:			
Current portion	\$ 342,325	\$ 357	\$ 342,682
Noncurrent portion:			
Intergovernmental receivables	7,794	-	7,794
Notes/loans receivable	14,911	-	14,911
Due from Component Unit	-	5,403	5,403
Total noncurrent portion	22,705	5,403	28,108
Total	\$ 365,030	\$ 5,760	\$ 370,790

Not included in the receivable balances are amounts considered to be uncollectible. In the governmental funds, uncollectible taxes receivable are estimated at \$41.0 million, and uncollectible accounts receivable are estimated at \$115.5 million. The proprietary funds have \$66.2 million in uncollectible accounts receivable of which \$15.3 million are from uninsured employers' fines and penalties, and \$42.7 million are from unemployment contributions and benefit overpayments.

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014



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Note 5 - Interfund Transactions

A. Interfund Advances

A summary of interfund advances at June 30, 2014, follows (expressed in thousands):

<u>Advances To</u>	<u>Advances From</u>		
	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Nonmajor enterprise	\$ 248	\$ -	\$ 248
Internal service	2,927	904	3,831
Total other funds	\$ 3,175	\$ 904	\$ 4,079

Interfund advances are the portions of interfund balances that are *not* expected to be repaid within one year. The interfund balances that are expected to be repaid within one year are shown in the Due From/Due To summary below.

Advances are generally made to finance capital expenditures or as a loan for operating purposes.

B. Due From/Due To Other Funds and Component Units

A summary of due from and due to other funds and component units at June 30, 2014, is shown below (expressed in thousands):

<u>Due From</u>	<u>Due To</u>					
	<u>Major Governmental Funds</u>					<u>Total Governmental</u>
	<u>General</u>	<u>State Highway</u>	<u>Municipal Bond Bank</u>	<u>Permanent School</u>	<u>Nonmajor Governmental</u>	
Major Governmental Funds:						
General	\$ -	\$ 2,301	\$ 1	\$ 30	\$ 12,935	\$ 15,267
State Highway	1,931	-	-	-	17	1,948
Permanent School Fund	2,025	-	-	-	-	2,025
Nonmajor governmental	31,890	3,883	-	-	3,048	38,821
Total Governmental	35,846	6,184	1	30	16,000	58,061
Major Enterprise Funds:						
Housing Division	108	-	-	-	-	108
Unemployment Comp	-	-	-	-	495	495
Water Projects Loans	282	-	-	-	2	284
Higher Ed Tuition Trust	5,046	-	-	-	-	5,046
Nonmajor enterprise	2,470	6	-	-	-	2,476
Total Enterprise	7,906	6	-	-	497	8,409
Internal Service	932	139	-	-	166	1,237
Total other funds	\$ 44,684	\$ 6,329	\$ 1	\$ 30	\$ 16,663	\$ 67,707
Fiduciary	\$ 371	\$ -	\$ -	\$ -	\$ 865	\$ 1,236
Component Units:						
Colorado River Commission	\$ 28	\$ -	\$ -	\$ -	\$ -	\$ 28
Nevada System of Higher Education	183	2	-	-	1	186
Nevada Capital Investment Corporation	-	-	-	5,403	-	5,403
Total Component Units	\$ 211	\$ 2	\$ -	\$ 5,403	\$ 1	\$ 5,617

Notes to Financial Statements
For the Fiscal Year Ended June 30, 2014



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(Note 5 Continued)

	Due To								
	Major Enterprise Funds				Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds	Fiduciary
Due From	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Ed Tuition Trust					
Major Governmental Funds:									
General	\$ 74	\$ -	\$ 318	\$ 9	\$ 978	\$ 1,379	\$ 4,663	\$ 21,309	\$ 500,920
State Highway	-	-	-	-	-	-	571	2,519	815
Permanent School Fund	-	-	-	-	-	-	-	2,025	-
Nonmajor governmental	-	3,433	1	-	15	3,449	199	42,469	6
Total Governmental	74	3,433	319	9	993	4,828	5,433	68,322	501,741
Major Enterprise Funds:									
Housing Division	-	-	-	-	-	-	4	112	-
Unemployment Comp	-	-	-	-	-	-	-	495	-
Water Projects Loans	-	-	-	-	-	-	1	285	-
Higher Ed Tuition Trust	-	-	-	-	1	1	2	5,049	-
Nonmajor enterprise	-	-	-	-	3	3	79	2,558	100
Total Enterprise	-	-	-	-	4	4	86	8,499	100
Internal Service	-	-	-	-	2	2	270	1,509	13
Total other funds	\$ 74	\$ 3,433	\$ 319	\$ 9	\$ 999	\$ 4,834	\$ 5,789	\$ 78,330	\$ 501,854
Fiduciary	\$ -	\$ -	\$ -	\$ -	\$ 15	\$ 15	\$ 2,997	\$ 4,248	\$ 30,657
Component Units:									
Colorado River Commission	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16	\$ 44	\$ -
Nevada System of Higher Education	-	-	-	-	-	-	162	348	2,533
Nevada Capital Investment Corporation	-	-	-	-	-	-	-	5,403	-
Total Component Units	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178	\$ 5,795	\$ 2,533

	Due To		
	Component Units		Total Component Units
Due From	Colorado River Commission	Nevada System of Higher Education	
Major Governmental Funds:			
General	\$ 48	\$ 14,148	\$ 14,196
State Highway	-	1,029	1,029
Nonmajor governmental	27	12,159	12,186
Total Governmental Funds	75	27,336	27,411
Internal Service	-	33	33
Total	\$ 75	\$ 27,369	\$ 27,444

The balances result primarily from timing differences between the date goods and services are provided or reimbursable expenses occur, and the date the transactions are recorded in the accounting system and payment is made.



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(Note 5 Continued)

C. Transfers From/Transfers To Other Funds

A summary of transfers between funds for the year ended June 30, 2014, is shown below (expressed in thousands):

	Transfers Out/To					
	Major Governmental Funds					
	General	State Highway	Municipal Bond Bank	Permanent School	Nonmajor Governmental	Total Governmental
Transfers In/From						
Major Governmental Funds:						
General	\$ -	\$ 6,554	\$ -	\$ 1,655	\$ 97,797	\$ 106,006
State Highway	537	-	-	-	3,435	3,972
Nonmajor governmental	25,900	1,168	26,280	-	12,050	65,398
Total Governmental	26,437	7,722	26,280	1,655	113,282	175,376
Major Enterprise Funds:						
Housing	99	-	-	-	-	99
Unemployment Comp	-	-	-	-	7,615	7,615
Higher Ed Tuition Trust	2,334	-	-	-	-	2,334
Total Enterprise	2,433	-	-	-	7,615	10,048
Internal Service	1,929	554	-	-	-	2,483
Total other funds	\$ 30,799	\$ 8,276	\$ 26,280	\$ 1,655	\$ 120,897	\$ 187,907

	Transfers Out/To					
	Major Enterprise Fund					
	Unemployment Compensation	Water Projects Loans	Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds
Transfers In/From						
Major Governmental Funds:						
General	\$ -	\$ 1,432	\$ 12,368	\$ 13,800	\$ -	\$ 119,806
State Highway	-	-	-	-	-	3,972
Nonmajor governmental	2,937	-	-	2,937	80	68,415
Total Governmental	2,937	1,432	12,368	16,737	80	192,193
Major Enterprise Funds:						
Housing	-	-	-	-	-	99
Unemployment Comp	-	-	-	-	-	7,615
Higher Ed Tuition Trust	-	-	-	-	-	2,334
Nonmajor enterprise	-	-	14	14	-	14
Total Enterprise	-	-	14	14	-	10,062
Internal Service	-	-	-	-	-	2,483
Total other funds	\$ 2,937	\$ 1,432	\$ 12,382	\$ 16,751	\$ 80	\$ 204,738

The general purpose for transfers is to move monies from funds required by statute to collect them to the funds required by statute or budget to expend them, and to move monies collected for debt service purposes to the debt service fund required to make the payment. An exception was a transfer of \$49 million from the Attorney General Settlement Fund, a nonmajor special revenue fund to the General Fund for the Nevada Home Retention Program.

In addition, the Nevada Legislature approved appropriations for the support of the Nevada System of Higher Education (NSHE), a component unit. Net payments to NSHE of \$501 million are reported as education and support service expenses in the Statement of Activities and as intergovernmental expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds. A corresponding amount is reported as general revenue of NSHE in the Statement of Activities.

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014



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Note 6 - Restricted Assets

Various debt service, operation and maintenance, capital improvement and construction (acquisition) funding requirements of bond covenants, and trust indentures are recorded as restricted assets on the Statement of Net Position. The components of restricted assets at June 30, 2014 are as follows (expressed in thousands):

	Primary Government Business-Type Activities	Component Units
Restricted:		
Cash	\$ -	\$ 86,767
Investments	93,839	38,515
Total	<u>\$ 93,839</u>	<u>\$ 125,282</u>
Restricted for:		
Debt service	\$ 93,839	\$ 3,490
Construction	-	78,375
Other purposes	-	43,417
Total	<u>\$ 93,839</u>	<u>\$ 125,282</u>

Note 7 - Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2014, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 145,667	\$ 4,939	\$ -	\$ 150,606
Construction in progress	157,716	39,628	(10,520)	186,824
Infrastructure	3,605,406	203,283	-	3,808,689
Rights-of-way	618,482	2,164	(118)	620,528
Total capital assets, not being depreciated	<u>4,527,271</u>	<u>250,014</u>	<u>(10,638)</u>	<u>4,766,647</u>
Capital assets, being depreciated/amortized				
Buildings	1,663,583	5,123	(4,724)	1,663,982
Improvements other than buildings	123,224	557	-	123,781
Furniture and equipment	384,555	25,790	(10,458)	399,887
Software costs	175,997	7,755	(368)	183,384
Total capital assets, being depreciated/amortized	<u>2,347,359</u>	<u>39,225</u>	<u>(15,550)</u>	<u>2,371,034</u>
Less accumulated depreciation/amortization for:				
Buildings	(508,096)	(41,707)	2,490	(547,313)
Improvements other than buildings	(77,880)	(3,901)	-	(81,781)
Furniture and equipment	(319,326)	(22,053)	9,892	(331,487)
Software costs	(153,127)	(3,813)	333	(156,607)
Total accumulated depreciation/amortization	<u>(1,058,429)</u>	<u>(71,474)</u>	<u>12,715</u>	<u>(1,117,188)</u>
Total capital assets, being depreciated/amortized, net	<u>1,288,930</u>	<u>(32,249)</u>	<u>(2,835)</u>	<u>1,253,846</u>
Governmental activities capital assets, net	<u>\$ 5,816,201</u>	<u>\$ 217,765</u>	<u>\$ (13,473)</u>	<u>\$ 6,020,493</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 568	\$ -	\$ -	\$ 568
Construction in progress	10,122	161	-	10,283
Total capital assets, not being depreciated	<u>10,690</u>	<u>161</u>	<u>-</u>	<u>10,851</u>
Capital assets, being depreciated				
Buildings	3,389	-	-	3,389
Improvements other than buildings	631	-	-	631
Furniture and equipment	6,402	150	(264)	6,288
Total capital assets, being depreciated	<u>10,422</u>	<u>150</u>	<u>(264)</u>	<u>10,308</u>
Less accumulated depreciation for:				
Buildings	(2,724)	(103)	-	(2,827)
Improvements other than buildings	(572)	-	-	(572)
Furniture and equipment	(5,345)	(346)	252	(5,439)
Total accumulated depreciation	<u>(8,641)</u>	<u>(449)</u>	<u>252</u>	<u>(8,838)</u>
Total capital assets, being depreciated, net	<u>1,781</u>	<u>(299)</u>	<u>(12)</u>	<u>1,470</u>
Business-type activities capital assets, net	<u>\$ 12,471</u>	<u>\$ (138)</u>	<u>\$ (12)</u>	<u>\$ 12,321</u>



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(Note 7 Continued)

Included in the table above are three Department of Correction facilities that have been closed and are idle, with a carrying value of \$12.2 million.

Current period depreciation and amortization expense was charged to functions of the primary government as follows (expressed in thousands):

Governmental activities:	
General government	\$ 3,813
Education, support services	928
Health, social services	10,949
Law, justice, public safety	31,991
Recreation, resource development	4,123
Transportation	11,021
Regulation of business	3,610
Unallocated	2,150
Depreciation and amortization on capital assets held by the State's internal service funds is charged to the various functions based on their use of the assets	2,889
Total depreciation/amortization expense - governmental activities	\$ 71,474
Business-type activities:	
Enterprise	\$ 449
Total depreciation expense - business-type activities	\$ 449

Capital asset activity of the Nevada System of Higher Education for the year ended June 30, 2014, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Nevada System of Higher Education:				
Capital assets, not being depreciated				
Construction in progress	\$ 34,763	\$ 43,146	\$ (29,788)	\$ 48,121
Land	82,627	1,325	-	83,952
Intangibles	808	266	(786)	288
Collections	11,939	747	(7)	12,679
Total capital assets, not being depreciated	130,137	45,484	(30,581)	145,040
Capital assets, being depreciated				
Buildings	2,336,271	26,998	(168)	2,363,101
Land and improvements	118,322	732	(20)	119,034
Machinery and equipment	342,447	24,598	(20,256)	346,789
Intangibles	41,267	1,669	-	42,936
Library books and media	118,690	2,644	(2,337)	118,997
Total capital assets, being depreciated	2,956,997	56,641	(22,781)	2,990,857
Less accumulated depreciation for:				
Buildings	(699,616)	(58,403)	168	(757,851)
Land and improvements	(89,689)	(3,899)	-	(93,588)
Machinery and equipment	(244,634)	(24,606)	18,509	(250,731)
Intangibles	(14,861)	(4,750)	-	(19,611)
Library books and media	(110,650)	(3,956)	2,306	(112,300)
Total accumulated depreciation	(1,159,450)	(95,614)	20,983	(1,234,081)
Total capital assets, being depreciated, net	1,797,547	(38,973)	(1,798)	1,756,776
Nevada System of Higher Education activity capital assets, net	\$ 1,927,684	\$ 6,511	\$ (32,379)	\$ 1,901,816


Note 8 - Short-Term Obligations

Component Unit - On March 12, 2014, Colorado River Commission (CRC) issued interim bonds of \$28,425,000 to fund CRC's expected share of the construction cost of the visitor's center at Hoover Dam. These bonds were issued due to delays in determining a final allocation of shared costs. In June 2014, CRC issued \$29,475,000 Series 2014E General Obligation Refunding bonds as disclosed in Section N of Note 9, proceeds from which were used to fully refund the interim bonds. These bonds mature annually on October 1, 2015 through 2043, with interest payable semi-annually on October 1 and April 1 at the annual rates of 0.50% to 4.25%. There was no short-term debt outstanding at July 1, 2013 or June 30, 2014.

Note 9 - Long-Term Obligations
A. Changes in Long-Term Liabilities

The following is a summary of changes in long-term obligations of the primary government for the fiscal year ended June 30, 2014 (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 1,754,520	\$ 59,150	\$ (109,830)	\$ 1,703,840	\$ 110,530
Special obligation bonds	497,650	86,020	(56,220)	527,450	41,310
Subtotal	2,252,170	145,170	(166,050)	2,231,290	151,840
Issuance premiums (discounts)	143,968	21,012	(18,188)	146,792	16,932
Total bonds payable	2,396,138	166,182	(184,238)	2,378,082	168,772
Certificates of participation	52,000	86,230	(43,775)	94,455	2,520
Issuance premiums (discounts)	339	2,794	(177)	2,956	236
Total certificates of participation	52,339	89,024	(43,952)	97,411	2,756
Other Governmental long-term activities:					
Obligations under capital leases	25,096	2,139	(2,141)	25,094	2,269
Compensated absences obligations	94,720	73,617	(71,211)	97,126	59,659
Arbitrage rebate liability	1,043	-	(1,043)	-	-
Total other governmental long-term activities	120,859	75,756	(74,395)	122,220	61,928
Governmental activities long-term obligations	\$ 2,569,336	\$ 330,962	\$ (302,585)	\$ 2,597,713	\$ 233,456
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 90,720	\$ 5,145	\$ (12,840)	\$ 83,025	\$ 9,710
Special obligation bonds	739,797	568,269	(151,432)	1,156,634	146,587
Subtotal	830,517	573,414	(164,272)	1,239,659	156,297
Issuance premiums (discounts)	5,942	59,582	(9,610)	55,914	13,843
Total bonds payable	836,459	632,996	(173,882)	1,295,573	170,140
Compensated absences obligations	1,898	1,571	(1,468)	2,001	1,256
Arbitrage rebate liability	-	571	-	571	-
Federal unemployment advance	573,957	-	(573,957)	-	-
Tuition benefits payable	174,399	18,914	(8,160)	185,153	15,960
Business-type activities long-term obligations	\$ 1,586,713	\$ 654,052	\$ (757,467)	\$ 1,483,298	\$ 187,356

The General Fund and special revenue funds typically liquidate the capital lease obligations. The compensated absence obligations are typically liquidated by the General Fund and State Highway Fund incurring the related salaries and wages costs. The debt service funds typically liquidate the arbitrage obligations.

B. Bonds Payable

The State issues general obligation bonds for the acquisition, construction and improvement of major capital facilities; buying local governments' bonds in the municipal bond bank fund; loans to municipalities for water projects; protection of natural resources; cultural affairs projects; the construction, reconstruction, improvement and maintenance of highways; and for refunding purposes. General obligation bonds are direct obligations and pledge the full faith and credit of the State.

Special obligation highway improvement revenue bonds provide funds for property acquisition and construction of highway projects. Special obligation unemployment compensation bonds are to repay the Federal Unemployment Advance as benefits paid significantly exceeded employer assessment during the national economic downturn. Special obligation housing bonds in the aggregate have a debt limit of \$5 billion and are used for housing loans or to purchase mortgage loans having both fixed and variable interest rates. Special obligation bonds are payable solely from gross pledged revenues and are not general obligations of the State.

General obligation bonds and special obligation bonds of the primary government outstanding at June 30, 2014 are comprised of the following (expressed in thousands):



(Note 9 Continued)

	Interest Rates	Original Amount	Principal Outstanding
Governmental activities:			
General obligation bonds:			
Subject to Constitutional Debt Limitation	.25-7.0%	\$ 1,761,855	\$ 1,146,155
Exempt from Constitutional Debt Limitation	2.0-7.0%	814,130	557,685
Special obligation bonds:			
Exempt from Constitutional Debt Limitation- Highway Improvement Revenue Bonds	2.5-5.5%	971,245	527,450
Subtotal		3,547,230	2,231,290
Issuance premiums (discounts)		245,681	146,792
Governmental activities bonds payable		<u>3,792,911</u>	<u>2,378,082</u>
Business-type activities:			
General obligation bonds:			
Exempt from Constitutional Debt Limitation	1.75-5.1%	106,035	83,025
Special obligation bonds:			
Unemployment Compensation Bonds	2.0-5.0%	548,900	548,900
Housing Bonds	*.35-6.95%	850,810	607,734
Subtotal		1,505,745	1,239,659
Issuance premiums (discounts)		66,712	55,914
Business-type activities bonds payable		<u>1,572,457</u>	<u>1,295,573</u>
Total bonds payable		<u>\$ 5,365,368</u>	<u>\$ 3,673,655</u>

*Many Housing bonds have variable rates of interest. The tax exempt bonds track the SIFMA Index while the federally taxable debt tracks the one-month LIBOR Index.

Debt service requirements (principal and interest) for all long-term bonds and notes outstanding at June 30, 2014, of the primary government are summarized in the table following (expressed in thousands):

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 151,840	\$ 102,669	\$ 156,297	\$ 41,632
2016	162,880	95,431	156,733	36,842
2017	170,535	88,555	172,943	29,678
2018	169,995	81,344	150,222	21,160
2019	174,710	73,487	19,785	15,780
2020-2024	840,880	240,678	114,027	65,891
2025-2029	539,110	53,652	103,202	43,047
2030-2034	19,700	2,267	133,462	28,105
2035-2039	1,640	124	174,641	13,369
2040-2044	-	-	57,346	1,839
2045-2049	-	-	1,001	84
Total	<u>\$ 2,231,290</u>	<u>\$ 738,207</u>	<u>\$ 1,239,659</u>	<u>\$ 297,427</u>

C. Constitutional Debt Limitations

Section 3, Article 9, of the State Constitution (as amended) limits the aggregate principal amount of the State's public debt to two percent (2%) of the assessed valuation of the State. Exempt from this limitation are debts authorized by the Legislature that are incurred for the protection and preservation of, or for obtaining the benefits of, any property or natural resources within the State. At June 30, 2014, the debt limitation and its unused portion are computed as follows (expressed in thousands):

Debt limitation (2% of total assessed valuation)	\$ 1,854,550
Less: Bonds and leases payable as of June 30, 2014, subject to limitation	(1,151,010)
Remaining debt capacity	<u>\$ 703,540</u>



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(Note 9 Continued)

D. Nevada Municipal Bond Bank

General obligation bonds have been issued through the Nevada Municipal Bond Bank, a special revenue fund, as authorized by NRS 350A. These bonds are subject to statutory limitation of \$1.8 billion and are exempt from the Constitutional Debt Limitation. Proceeds from the bonds are used to purchase validly issued general obligation bonds of the State's local governments to finance projects related to natural resources. The State anticipates that the debt service revenue it receives from the participating local governments will be sufficient to pay the debt service requirements of the State bonds as they become due. Sixteen projects were funded through the Nevada Municipal Bond Bank as of June 30, 2014, and total investments in local governments amounted to \$255,620,000.

E. Refunded Debt and Redemptions

During the fiscal year 2014, the State of Nevada refunded \$6,385,000 in general obligation, limited tax, bonds related to natural resources and water projects loans by issuing refunding bonds with a total par amount of \$6,320,000 at a \$466,550 premium. Proceeds from refunding bonds were used to refund certain outstanding State general obligation bonds to realize debt service savings. In addition, the Nevada Real Property Corporation (NRPC) repaid \$41,390,000 Certificates of Participation by issuing refunding bonds with a total par amount of \$35,785,000 at a \$1,944,061 premium and using \$5,453,229 of its fund reserve. The refunding decreased the aggregate debt service payments by \$9,595,452 with an economic or present value gain of \$6,047,706. The reacquisition price exceeded the carrying amount of the old debt causing a deferred accounting loss of \$1,509,503. This amount is being reported as a deferred outflow of resources and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt. The impact of the refunding issues is presented in the following table (expressed in thousands):

Issue Description:	Refunding Amount	Refunded Amount	Cash Flow Gain (Loss)	Present Value Gain
General obligation bonds:				
Natural Resources and Refunding Bonds Series 2014B	\$ 4,425	\$ 4,235	\$ 385	\$ 354
Safe Drinking Water Revolving Fund Matching and Refunding Bonds Series 2014D	2,227	2,150	148	143
Certificates of Participation:				
Lease Revenue Refunding Capitol Complex Building 1 Project Series 2013	21,746	21,250	5,580	3,354
Lease Revenue Refunding Casa Grande Project Series 2013	21,054	20,140	3,482	2,197
Total	<u>\$ 49,452</u>	<u>\$ 47,775</u>	<u>\$ 9,595</u>	<u>\$ 6,048</u>

In current and prior years, the State defeased certain general obligations and other bonds by placing the proceeds of new bonds and other monies in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the State's financial statements. The total outstanding amount of defeased issues at June 30, 2014 is \$530,602,633.

F. Bond Indenture Provisions

There are restrictions and limitations contained in the various bond indentures. The State is in compliance with the requirements of the bond covenants.

G. Capital Leases

The State has entered into various agreements for the lease of equipment and improvement of buildings. Assets of the primary government acquired under such leases at June 30, 2014, include equipment with a historical cost of \$3,200,869 with accumulated depreciation of \$1,004,106 and building improvements of \$27,810,128 with accumulated depreciation of \$4,176,342.

For all capital leases of the primary government, the gross minimum lease payments and the present value of the net minimum lease payments as of June 30, 2014 follow (expressed in thousands):

Year Ending June 30	Governmental Activities
2015	\$ 3,333
2016	3,625
2017	3,693
2018	3,157
2019	3,240
2020-2024	12,677
2025	1,348
Total minimum lease payments	31,073
Less: amount representing interest	(5,979)
Obligations under capital leases	<u>\$ 25,094</u>



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(Note 9 Continued)

H. Certificates of Participation

In fiscal year 2010, the NRPC, a blended component unit, issued \$7,900,000 of General Obligation Certificates of Participation series 2009 at 5.0-5.125% interest to prepay the remaining outstanding balance of the 1999 issue of the Nevada Real Property Corporation. The original 1999 issue of \$15,000,000 was to finance the acquisition, construction, installation and equipping of a secured juvenile treatment facility. The 2009 issue is a direct general obligation of the State to which the full faith and credit of the State is pledged. The State is required to make payments from general (ad valorem) taxes in the Consolidated Bond Interest and Redemption debt service fund that approximate the interest and principal payments made by trustees to certificate holders.

In fiscal year 2014, the NRPC issued \$35,785,000 of Lease Revenue Refunding Certificates of Participation Series 2013 at 3.0-5.0% interest to refund the outstanding balances of Lease Revenue Certificates of Participation Series 2004 and 2004B as discussed in Section E of this note. The original Series 2004 and 2004B were to finance the acquisition and construction of the State's Capitol Complex Building 1 and Casa Grande Projects respectively.

In fiscal year 2014, the NRPC issued \$50,445,000 of new Lease Revenue Certificates of Participation Series 2013 at 4.0-5.0% interest to finance the State's Nevada State College Project. The Project will be leased to the Nevada System of Higher Education (NSHE), the State's discretely presented component unit, upon the completion of the construction (approximately at the end of fiscal year 2015) pursuant to a Lease Purchase Agreement. Meanwhile, the NRPC has entered into a Ground Lease with respect to the real property on which the Project is located.

In fiscal year 2007, the NRPC issued \$5,760,000 of Lease Revenue Certificates of Participation Series 2006 at 4.0-5.0% interest to finance the design and construction of a warehouse addition to the Legislative Counsel Bureau's existing State Printing Office building in Carson City and resurfacing of the exterior of the existing building, together with related improvements on the premises.

Under the lease revenue certificates of participation financing arrangements, the certificates are not general obligations of the State and are not backed by the faith and credit or the taxing power of the State. The State's obligation to pay base rent and make other payments to the trustee under the financing leases is subject to appropriation by the State. In the event that the State does not make a sufficient appropriation with respect to a Lease Purchase Agreement, that Lease Purchase Agreement will terminate. Currently, only the payment of

principal and interest on the Series 2006 is being guaranteed by an insurance policy.

The following schedule presents future certificates of participation payments as of June 30, 2014 (expressed in thousands):

Year Ending June 30	Principal	Interest
2015	\$ 2,520	\$ 4,345
2016	2,710	4,242
2017	3,845	4,132
2018	4,080	3,957
2019	2,960	3,805
2020-2024	17,315	16,853
2025-2029	21,660	12,298
2030-2034	15,265	7,703
2035-2039	12,105	4,807
2040-2043	11,995	1,536
Total	\$ 94,455	\$ 63,678

I. Tuition Benefits Payable

The Higher Education Tuition Trust Fund, an enterprise fund, reports benefits payable as shown in Section A based upon the actuarial present value (APV) of the future tuition obligations and administrative expenses that will be paid in future years. The present value calculation includes the effects of projected tuition and fee increases and termination of contracts as follows (expressed in thousands):

APV of the future tuition obligation	\$185,153
Net position available	228,633
Net position as a percentage of tuition benefits obligation	123.48%

The actuarial valuation used an investment yield assumption of 6.25% per year and tuition growth assumptions as follows:

	Universities	Community Colleges
2015-16	4.00%	4.00%
2016-17	4.00%	4.00%
2017-18	4.00%	4.00%
2018-19	4.00%	4.00%
2019-20 and later	6.00%	6.00%

J. Arbitrage Rebate Requirement

The Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a) must be rebated to the United States Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes.



(Note 9 Continued)

In accordance with the Internal Revenue Service Regulations, arbitrage rebate liability has been calculated as of June 30, 2014, and changes for the fiscal year then ended are presented in Section A of this note.

K. Conduit Debt Obligations

The State has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The State is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2014, there are seven series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$594,616,576.

L. Pledged Revenue

Pledged motor vehicle and special fuel tax - The State has pledged a portion of future motor vehicle fuel and special fuel tax revenues as well as federal aid for eligible projects to repay the Highway Improvement Revenue Bonds that were issued for highway construction projects and property acquisition purposes. On March 19, 2014, additional Highway Revenue Bonds Series 2014 were issued for \$86,020,000 as disclosed in Section A of this note. As of June 30, 2014, the outstanding balance of Highway Improvement Revenue and Refunding bonds is \$527,450,000. The total of principal and interest remaining on the bonds is \$669,316,630 payable through December 2026. Upon completion of eligible projects, federal aid of \$320,183,500 is expected to be received in fiscal year 2015. For the current year, principal and interest paid was \$78,642,421 and total motor vehicle fuel and special fuel tax revenues were \$266,872,819.

Pledged additional assessments of unemployment contributions - The State has pledged additional assessments on unemployment contributions (special bond contributions), the proceeds derived from the sale of bonds, and related investment earnings to repay \$548,900,000 of Unemployment Compensation Fund Special Revenue Bonds issued on November 6, 2013. The revenue bonds were issued for the purposes of repaying the Federal Unemployment Advance as discussed in section M of this note, funding a deposit to the Nevada UITF Account to avoid the need for further advances, funding a deposit to the trustee as a reserve, and paying costs of issuance and related program administrative costs. The previously existing State Unemployment Compensation Law was amended by Chapter 450, Statutes of Nevada, 2013 (the 2013

Act) to create additional powers of assessment and revenue bond issuing authority. The 2013 Act, which was enacted during the 2013 State legislative session, authorizes and directs the State Department of Employment, Training and Rehabilitation to assess and collect special bond contributions from Nevada employers who are obligated to pay unemployment contributions under the State Unemployment Compensation Law. Pursuant to the 2013 Act, special bond contributions must be established at levels sufficient to pay debt service on the bonds. As of June 30, 2014, the entire amount of the above bonds is outstanding. The total principal and interest remaining on the bonds is \$608,120,025, payable through June 2018. In fiscal year 2014, interest of \$13,644,228 was paid, substantially from remaining bond proceeds, and special bond contributions revenue totaled \$57,969,434. As of June 30, 2014, \$57,204,386 was held by the trustee for the benefit of the bondholders. Special bond contributions of \$160,700,000 are expected to be collected in fiscal year 2015, which, along with assets held by the trustee, will be used to pay the fiscal year 2015 debt service principal and interest of \$161,949,950.

Pledged Nevada Housing Division program funds - The single-family bonds are payable from, and secured by, a pledge of the proceeds derived from the sale of bonds; the rights and interest of the Housing Division in all mortgage loans purchased under the various bond certificates; revenues which primarily include mortgage repayments and the net income, if any, derived as a result of foreclosure or other action taken in the event of a default on such a mortgage loan; curtailments, consisting generally of all amounts representing monthly principal payments with respect to mortgage loans which are received in advance of the scheduled amortization thereof; and all earnings realized by the investment of monies in all funds and accounts as well as all funds and accounts created by the various bond certificates.

The multi-unit bonds are payable from, and secured by, a pledge of the proceeds derived from the sale of bonds; all earnings realized from the investment of bond proceeds; after permanent financing, all revenues received from the development including housing assistance and rental payments made by tenants, notes receivable collateralized by deeds of trust and the rights to FHA insurance, draws on bank letters of credit, private mortgage and hazard insurance and condemnation proceeds.

Substantially all program fund assets are pledged in trust for the benefit of the bondholders. Nevada Housing Division issues a stand-alone financial report that includes financial statements and required supplemental information. The Report may be obtained from Nevada Housing Division, 1535 Old Hot Springs Road, Suite 50, Carson City, NV 89706.



(Note 9 Continued)

M. Federal Unemployment Advance

As of June 30, 2014, the entire amount of advances due to the U.S. Department of Labor in accordance with provisions of Title XII, Section 1201 of the Social Security Act has been repaid. The repayment of federal advances was made using \$540,926,259 of the proceeds of Unemployment Compensation Fund Special Revenue Bonds as discussed in Section L of this note.

N. Component Unit Obligations

Nevada System of Higher Education (NSHE) – Bonds, notes, capital leases and compensated absences payable by NSHE at June 30, 2014, and the changes for the year then ended, consist of the following (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and notes payable	\$ 460,610	\$ 50,595	\$ (22,514)	\$ 488,691	\$ 22,280
Issuance premiums (discounts)	27,384	4,428	(1,774)	30,038	1,892
Total bonds payable	487,994	55,023	(24,288)	518,729	24,172
Obligations under capital leases	3,245	28	(822)	2,451	817
Compensated absences obligations	46,727	30,966	(29,863)	47,830	30,883
Total	\$ 537,966	\$ 86,017	\$ (54,973)	569,010	55,872
Discretely presented component units of the NSHE:					
Capital leases				137	137
Long-term debt				67	67
Total				\$ 569,214	\$ 56,076

Tuition and fees, auxiliary enterprises' revenue and certain other revenue as defined in the bond indentures secure the revenue bonds.

The following table presents annual principal and interest payments for bonds and notes payable outstanding by NSHE at June 30, 2014 (expressed in thousands):

Year Ending June 30	Principal	Interest
2015	\$ 24,172	\$ 21,959
2016	24,744	21,444
2017	32,559	20,239
2018	22,422	19,192
2019	22,796	18,272
2020-2024	110,186	76,811
2025-2029	97,886	53,931
2030-2034	105,500	31,884
2035-2039	61,482	10,712
2040-2044	16,982	1,760
Total	\$ 518,729	\$ 276,204

Future net minimum rental payments which are required under the capital leases by NSHE for the years ending June 30 are as follows (expressed in thousands):

Year Ending June 30	Amount
2015	\$ 880
2016	762
2017	624
2018	305
Total minimum lease payments	2,571
Less: amount representing interest	(120)
Obligations under capital leases	\$ 2,451

Colorado River Commission (CRC) – Bonds and compensated absences payable by CRC at June 30, 2014, and the changes for the year then ended, consist of the following (expressed in thousands):



(Note 9 Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 70,385	\$ 29,475	\$ (3,975)	\$ 95,885	\$ 4,150
Issuance premiums (discounts)	2,915	(174)	(660)	2,081	654
Total bonds payable	73,300	29,301	(4,635)	97,966	4,804
Compensated absences obligations	349	282	(292)	339	207
Total	\$ 73,649	\$ 29,583	\$ (4,927)	\$ 98,305	\$ 5,011

Scheduled maturities for bonds payable by CRC for the years ending June 30 are as follows (expressed in thousands):

Year Ending June 30	Principal	Interest
2015	\$ 4,150	\$ 3,923
2016	4,785	3,957
2017	7,920	3,659
2018	9,020	3,254
2019	3,920	2,960
2020-2024	22,170	12,135
2025-2029	24,075	6,698
2030-2034	6,130	3,508
2035-2039	6,465	2,238
2040-2044	7,250	796
Total	\$ 95,885	\$ 43,128

Note 10 - Pensions and Other Employee Benefits

The Nevada Legislature created various plans to provide benefits to qualified employees and certain elected officials of the State as well as employees of other public employers. The Public Employees' Retirement Board administers the Public Employees' Retirement System of Nevada (PERS), the Legislators' Retirement System of Nevada (LRS) and the Judicial Retirement System of Nevada (JRS). A summary description of the plans follows.

A. PERS

Plan Description - All full-time State employees and full-time employees of participating local government entities in the State are members in the PERS, a defined benefit cost-sharing, multiple-employer public employees' retirement system established in 1947 by the Nevada Legislature. PERS provides a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability. Any government employer in the State may elect to have its regular and police/fire employees covered by PERS. At June 30, 2014, there were 190 participating employers and other contributing entities.

PERS' issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports PERS as a pension trust fund. PERS' financial

report may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits and survivor benefits. Monthly benefit allowances for regular members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned after July 1, 2001, this multiplier is 2.67% of average compensation. However, for members entering the System on or after January 1, 2010, there is only a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allows the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Summary of Significant Accounting Policies - PERS uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded in the accounting period in which they are earned and become measurable.

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014



NEVADA

(Note 10 Continued)

Per statute, employee and employer contributions are recognized in the reporting period for which they are due. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Unfunded portions of actuarially determined liabilities for retirement benefits are not recorded in the financial statements.

Investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. In general, however, fixed income securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings. The fair value of real estate investments is based on estimated current values and Member Appraisal Institute independent appraisals. For private equity partnership investments, estimated fair value is determined in good faith and provided by the general partner of the respective investment partnership, based on the most recent financial information available for the underlying companies at the measurement date adjusted for subsequent cash flow activities through June 30, 2014. In addition, each partnership undergoes an independent audit on an annual basis.

Contributions - The authority for establishing and amending the obligation to make contributions, and member contribution rates, is provided by statute. New hires of the State of Nevada and public employers, who did not elect the employer-pay contribution plan prior to July 1, 1983, have the option of selecting either the employee/employer contribution plan or the employer-pay contribution plan. Under the employee/employer contribution plan, the employee and the employer each make matching contributions. Under the employer-pay contribution plan, the employer pays all contributions on the employee's behalf; however, the employee shares equally in the cost of the contribution rate either through salary reduction or in lieu of a promised pay increase.

Funding Policy - PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due. Although PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis, contributions actually made are in accordance with the required rates established by the Legislature. These statutory rates are increased or decreased pursuant to NRS 286.421 and 286.450.

Required contribution rates for employers and for active plan members, as a percentage of covered payroll, for the fiscal year ended June 30, 2014 were as follows:

	Statutory Rate	
	Employer	Employees
Regular employees:		
Employer-pay plan	25.75%	na
Employee/employer plan (matching rate)	13.25%	13.25%
Police and Fire employees:		
Employer-pay plan	40.50%	na
Employee/employer plan (matching rate)	20.75%	20.75%

The State's contribution requirements for the current fiscal year and each of the two preceding years were (expressed in thousands):

	2014	2013	2012
Primary Government	\$ 174,712	\$ 162,484	\$ 163,219
Component Units:			
Colorado River Commission	523	485	476
Nevada System of Higher Education	29,163	26,750	27,019
Total component units	29,686	27,235	27,495
Total reporting entity	<u>\$ 204,398</u>	<u>\$ 189,719</u>	<u>\$ 190,714</u>
Contributions as %			
of covered payroll	20%	19%	19%
Percentage of pension costs contributed	100%	100%	100%

B. LRS

Plan Description - All State Legislators are members in the Legislators' Retirement System (LRS), a defined benefit, single-employer public employees' retirement system established in 1967 by the Nevada Legislature to provide a reasonable base income to Legislators at retirement. LRS is legislated by and functions in accordance with State laws established by the Nevada Legislature. Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement. Service years include the entire election term whether or not the Legislature is in session. Benefit payments to which participants may be entitled under the plan include pension benefits and survivor benefits. Monthly benefit allowances are \$25 for each year of service up to thirty years.

LRS issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports LRS as a pension trust fund. LRS financial report may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Summary of Significant Accounting Policies - LRS uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded in the accounting period in which they are earned and become measurable. Per statute employee and employer contributions are recognized in the reporting period for which they are due. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.



NEVADA

(Note 10 Continued)

Unfunded portions of actuarially determined liabilities for retirement benefits are not recorded in the financial statements.

Investments are reported at fair value. The fair values of investments in securities are generally based on published market prices and quotations from major investment firms. In general, fixed income securities are valued based on yield currently available on comparable securities of issuers with similar credit ratings.

Contributions - The Legislator contribution of 15% of compensation is paid by the Legislator only when the Legislature is in session, as required by statute. The Legislature holds sessions every two years. Prior to 1985, the employee contributions were matched by the employer. The 1985 Legislators' Retirement Act includes NRS 218C.390(2) which states, "The Director of the Legislative Counsel Bureau shall pay to the Board from the Legislative Fund an amount as the contribution of the State of Nevada as employer which is actuarially determined to be sufficient to provide the System with enough

money to pay all benefits for which the System will be liable." The Legislature appropriated \$426,702 for fiscal years 2013 and 2014, which is the required State contribution as determined by the actuary. This amount was paid by the State of Nevada to the Legislative fund during fiscal 2013, of which \$213,351 (half) was recognized as employer contributions in the fiscal year 2013, and the other half recognized as employer contributions in fiscal year 2014. Employee contributions of \$53,543 were received in fiscal year 2013, of which, \$26,771 (half) was recorded as employee contributions in the fiscal year 2013, and the remaining \$26,772 recorded as employee contributions in fiscal year 2014.

Actuarial Information - Actuarial valuations of the LRS are prepared every two years to determine State contributions required to fund the system on an actuarial basis. Actuarial methods and significant assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2006 through June 30, 2012 and include the following:

<i>Actuarial cost method:</i>	Entry age normal
<i>Amortization method:</i>	Year-by-year closed, level dollar amount with each amortization period set at 20 years
<i>Asset valuation method:</i>	5-year smoothed market, limited to not less than 75% or greater than 125% of the market value of assets
<i>Assumed inflation rate:</i>	3.5% per annum
<i>Assumed investment rate of return:</i>	8% per annum, net of investment expenses, compounded annually
<i>Mortality rates:</i>	RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set back one year for females (no age setback for males)
<i>Salary increases:</i>	3.5%
<i>Disability rates:</i>	Rates assumed to be zero for all ages
<i>Retirement age for active members:</i>	Age 75
<i>Benefit commencement age for inactive vested members:</i>	Age 60
<i>Non re-election rates:</i>	The assumed non re-election rates (termination rates) vary with years of service as shown below:

<u>Years of Service</u>	<u>Rate (%)</u>
0 - 1	0
1 - 2	30
2 - 3	0
3 - 4	22
4 - 5	0
5 - 6	22
6 - 7	0
7 - 8	18
8 - 9	0
9 - 10	18
10 - 11	0
11 - 12	18
13 & over, odd years	0
14 & over, even years	80

(Continued on following page)



(Note 10 Continued)

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	Once a member ceases employment, if he/she has enough service to qualify for a pension (generally ten years), they are assumed to begin receiving their pensions at age 60. If service is not sufficient to qualify for a pension, they are assumed to immediately receive their own accumulated contributions with no further benefit payable. Rates end at age 75.
<i>Form of benefit election:</i>	All active and inactive vested members are assumed to elect a single life annuity at retirement
<i>Annual future salary for member contributions:</i>	\$4,400 (projected with assumed salary increases of 3.5% per year)
<i>Post-retirement benefit increases:</i>	For members with an effective date of membership before January 1, 2010, the lesser of: (a) 2.0% per year following the third anniversary of commencement of benefits, 3.0% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4.0% per year following the twelfth anniversary, 5.0% per year following the fourteenth anniversary, or (b) the average percentage increase in the Consumer Price Index (or other Board approved index) for the three preceeding years. In any event, a member's benefit must be increased by the percentages in paragraph (a) if it has not been increased at a rate greater than or equal to the average of the Consumer Price Index (All items) (or other Board approved index) for the period between retirement and the date of increase. For members with an effective date of membership on or after January 1, 2010, the same as above, except the increases in paragraph (a) do not exceed 4.0% per year. For future retirees, those hired prior to 2010 are assumed to reach the cap after 24 years of retirement. Those hired in 2010 or later are assumed to reach the cap after 39 years of retirement. Underlying all of these assumptions is that CPI will grow over time at a rate of 3.5% per year.

Trend Information - Three-year trend information follows (expressed in thousands):

Actuarial Valuation Date	For Fiscal Year Ended June 30	Annual Pension Cost	State Contribution Made	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
7/01/10	2012	\$ 182	\$ 182	100%	\$ -
6/30/12	2013	213	213	100%	-
6/30/12	2014	213	213	100%	-

Funded Status and Funding Progress – As of June 30, 2014, the most recent actuarial valuation date, the LRS was 78% funded. The actuarial accrued liability for benefits was \$5.5 million, and the actuarial value of assets was \$4.3 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.2 million. There is no covered payroll, as the stipend received by legislators does not qualify.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

C. JRS

Plan Description - The Judicial Retirement System of Nevada (JRS) is the administrator of an agent multiple-employer public employees defined benefit retirement system established in 2001 by the Nevada Legislature. The JRS is legislated by and functions in accordance with laws established by the Nevada Legislature under NRS 1A.160. The JRS was established to provide benefits in the event of retirement, disability, or death of justices of the Supreme Court, district judges, municipal court judges and justices of the peace, funded on an actuarial reserve basis. As of June 30, 2014, the Supreme Court and eleven municipalities in Nevada elected to participate in JRS.

JRS issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports JRS as a pension trust fund. JRS financial report may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014



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(Note 10 Continued)

Benefits are paid according to various options contained in pertinent statutes, dependent upon whether a member was serving as a Supreme Court justice or district judge before November 5, 2002. Retiring members who were serving as a judge before November 5, 2002 may select among the two benefit options below. Retiring members who began serving as a justice or judge on or after November 5, 2002 may select only the first option below.

Option 1 - 2003 Benefit Plan: Benefits, as required by statute, are computed at 3.4091% per year of accredited service at the time of retirement, to a maximum of 75%, times the member's highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under the plan include pension benefits, disability benefits and survivor benefits.

Option 2 - Previous Benefit Plan: Retiring members who were serving as a Supreme Court justice or district judge prior to November 5, 2002 may select the following benefit: Benefit payments are computed at 4.1666% for each year of service, up to a total maximum of 22 years, times the member's compensation for their last year of service.

Summary of Significant Accounting Policies – JRS uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded in the accounting period in which they are earned and become measurable. Per statute,

contributions are recognized in the reporting period for which they are due. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Unfunded portions of actuarially determined liabilities for retirement benefits are not recorded in the financial statements.

Investments are reported at fair value. The fair values of investments in securities are generally based on published market prices and quotations from major investment firms. In general, fixed income securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Contributions – The JRS is an employer-paid plan and there is no contribution from active members. The participating employers submit the percentage of compensation determined by the actuary to pay the normal costs and administrative expenses. Annually, the participating employers pay to the JRS an amount on the unfunded liability which is actuarially determined to be sufficient to enable the JRS to pay all current benefits for which the JRS is liable.

Actuarial Information – Actuarial valuations of the JRS are prepared annually on a fiscal year basis. The most recent actuarial valuation, dated June 30, 2014, is based on June 30, 2014 census data and includes the following:

<i>Actuarial cost method:</i>	Entry age normal														
<i>Amortization method:</i>	Year-by-year closed, level percent of pay (3% payroll growth assumed) over a declining amortization period of 30 years for Supreme Court justices and district judges, and 20 years for each non-state agency														
<i>Asset valuation method :</i>	5-year smoothed market														
<i>Assumed inflation rate:</i>	3.5% per annum														
<i>Assumed investment rate of return:</i>	8%, net of investment expenses, compounded annually														
<i>Mortality rates:</i>	RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set back one year for females (no age setback for males)														
<i>Salary increases:</i>	Less than 4 years of service, increase of 3% per year; 4 years of service, increase of 8% per year; 5 to 11 years of service, increase of 4% per year; 12 or more years of service, increase of 3% per year														
<i>Retirement rates:</i>	Retirement rates after completion of five years of service and attainment of the following ages:														
	<table> <tr> <th>Age</th><th>Rate per Age</th></tr> <tr> <td>50 - 59</td><td>5.0%</td></tr> <tr> <td>60 - 61</td><td>15.0%</td></tr> <tr> <td>62 - 64</td><td>17.5%</td></tr> <tr> <td>65 - 67</td><td>22.5%</td></tr> <tr> <td>68 - 69</td><td>25.0%</td></tr> <tr> <td>70</td><td>100.0%</td></tr> </table>	Age	Rate per Age	50 - 59	5.0%	60 - 61	15.0%	62 - 64	17.5%	65 - 67	22.5%	68 - 69	25.0%	70	100.0%
Age	Rate per Age														
50 - 59	5.0%														
60 - 61	15.0%														
62 - 64	17.5%														
65 - 67	22.5%														
68 - 69	25.0%														
70	100.0%														
<i>Retirement age for inactive vested participants:</i>	Age 60														
<i>Disability rates:</i>	None														

(Continued on following page)



(Note 10 Continued)

(Continued from previous page)

Withdrawal rates:

5% per year during each of the first four years of service; 0% after four years of service

Post-retirement benefit increases:

For members with an effective date of membership before January 1, 2010, the lessor of: (a) 2.0% per year following the third anniversary of commencement of benefits, 3.0% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4.0% per year following the twelfth anniversary, 5.0% per year following the fourteenth anniversary, or (b) the average percentage increase in the Consumer Price Index (or other Board approved index) for the three preceding years.

In any event, a member's benefit must be increased by the percentages in paragraph (a) if it has not been increased at a rate greater than or equal to the average of the Consumer Price Index (All items) (or other Board approved index) for the period between retirement and the date of increase.

For members with an effective date of membership on or after January 1, 2010, the same as above, except the increases in paragraph (a) do not exceed 4.0% per year.

For future retirees, those hired prior to 2010 are assumed to reach the cap after 24 years of retirement. Those hired in 2010 or later are assumed to reach the cap after 39 years of retirement. Underlying all of these assumptions is that CPI will grow over time at a rate of 3.5% per year.

Trend Information - Three-year trend information for the current fiscal year and each of the two preceding fiscal years follows (expressed in thousands):

	2014	2013	2012
Annual required contribution	\$ 5,349	\$ 5,337	\$ 5,407
Interest on net pension obligation	(21)	-	13
Adjustment to annual required contribution	62	-	(38)
Annual pension cost	5,390	5,337	5,382
State contribution made	(5,444)	(5,606)	(5,546)
Increase (decrease) in net pension obligation	(54)	(269)	(164)
Net pension obligation (asset) at beginning of year	(268)	1	165
Net pension obligation (asset) at end of year	<u>\$ (322)</u>	<u>\$ (268)</u>	<u>\$ 1</u>
Percentage of annual pension costs contributed	100%	100%	100%

Funded Status and Funding Progress – As of June 30, 2014, the most recent actuarial valuation date, the JRS was 79% funded. The actuarial accrued liability for benefits was \$108.0 million, and the actuarial value of assets was \$85.6 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$22.4 million. The covered payroll (annual payroll of active employees covered by the plan) was \$18.9 million, and the ratio of the UAAL to the covered payroll was 118%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.



NEVADA

(Note 10 Continued)

D. Other Postemployment Benefits

Plan Description – The State Retirees’ Health and Welfare Benefits Fund, Public Employees’ Benefits Program (“PEBP”) of the State of Nevada (“Retirees’ Fund”) was created in 2007 by the Nevada Legislature to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on behalf of state retirees. NRS 287.0436 established the Retirees’ Fund as an irrevocable trust fund for the purpose of providing retirement benefits other than pensions. The Retirees’ Fund is a multiple-employer cost sharing defined postemployment benefit plan administered by the Board of the Public Employees’ Benefits Program of the State of Nevada. The Retirees’ Fund provides benefits other than pensions to eligible retirees and their dependents through the payment of subsidies to the PEBP. PEBP administers a group health and life insurance program for covered employees, both active and retired, of the State, and certain other participating public employers within the State of Nevada. NAC 287.530 establishes the benefit upon the retiree. All Nevada public employees who retire with at least five years of public service and who have State service are eligible to receive benefits from the Retirees’ Fund. State service is defined as employment with any Nevada State agency, the Nevada System of Higher Education and any State Board or Commission. A portion of the monthly premiums are deducted from pension checks and paid to the PEBP. The cost varies depending on which health plan the retiree chooses, as well as the amount of subsidy they receive.

The Retirees’ Fund issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports the Retirees’ Fund as a trust fund. The Retirees’ Fund financial report may be obtained from Public Employees’ Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, NV 89701.

Summary of Significant Accounting Policies - The financial statements of the Retirees’ Fund have been prepared using the accrual basis of accounting and the economic resources measurement focus. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Retirees’ Fund does not receive member contributions.

Method Used to Value Investments – Investments are reported at fair value, which is defined as the price at which an asset passes from a willing seller to a willing buyer. Investments are held with the Retirement Benefits Investment Fund (RBIF),

which values participants’ shares according to the contributions of each entity, and accordingly, earnings and expenses are allocated to each entity in proportion to the participants’ share in the RBIF.

Contributions and Funding Policy - NRS 287.046 establishes a subsidy to pay an amount toward the cost of the premium or contribution for the persons retired from the State. Contributions to the Retirees’ Fund are paid by the State of Nevada through an assessment of actual payroll paid by each State entity. For the period from July 1, 2013 through June 30, 2014 the rate assessed was 2.406% of annual covered payroll. The assessment is based on an amount provided by the Legislature each biennium in session law. For the year ended June 30, 2014, the State, its component units, State Boards and Commissions, and other participating public employers contributed \$32,697,856 to the plan, which is 100% of the contractually required contribution. For the years ended June 30, 2013 and 2012 the State, its component units, State Boards and Commissions, and other participating public employers contributed \$36,686,124, and \$27,881,834, respectively, to the plan, which equaled 100% of the contractually required contribution each year.



Note 11 - Risk Management

The State of Nevada established the Self-Insurance and Insurance Premiums funds in 1983 and 1979, respectively. Both funds are classified as internal service funds.

Interfund premiums are reported as interfund services provided and used. All State funds participate in the insurance program. Changes in the claims liabilities during the past two fiscal years were as follows (expressed in thousands):

	Self Insurance Fund	Insurance Premiums Fund
Balance June 30, 2012	\$ 42,988	\$ 63,749
Claims and changes in estimates	188,785	17,898
Claim payments	(186,882)	(15,008)
Balance June 30, 2013	44,891	66,639
Claims and changes in estimates	188,296	13,070
Claim payments	(186,033)	(14,331)
Balance June 30, 2014	\$ 47,154	\$ 65,378
Due Within One Year	\$ 47,154	\$ 16,920

In accordance with GASB, a liability for claims is reported if information received before the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include incremental claims adjustment costs. A reserve for losses has been established in both funds to account for these liabilities and is included in the liability section of the Statement of Net Position.

There was no insurance coverage for excess liability insurance.

There are several pending lawsuits or unresolved disputes involving the State or its representatives at June 30, 2014. The estimated liability for these claims has been factored into the calculation of the reserve for losses and loss adjustment expenses developed.

A. Self-Insurance Fund

The Self-Insurance Fund administers the group health, life and disability insurance for covered employees, both active and retired, of the State and certain other participating public employers within the State. All public employers in the State are eligible to participate in the activities of the Self-Insurance Fund and currently, in addition to the State, there are five public employers whose employees are covered under the plan. Additionally, all retirees of public employers contracted with the Self-Insurance Fund to provide coverage to their active employees are eligible to join the program subsequent to their retirement. Public employers are required to subsidize their retirees who participate in the plan in the same manner the State subsidizes its retirees. Currently, the State, the Nevada System of Higher Education and one hundred twenty-two

public employers are billed for retiree subsidies. The Self-Insurance Fund is overseen by the Public Employees' Benefit Program Board. The Board is composed of ten members, nine members appointed by the Governor, and the Director of the Department of Administration or their designee.

The Self-Insurance Fund is self-insured for medical, dental, vision, mental health and substance abuse benefits and assumes all risk for claims incurred by plan participants. Fully insured HMO products are also offered. Long-term disability and life insurance benefits are fully insured by outside carriers. For the self-insured benefits, fund rate-setting policies have been established after consultation with an actuary. The participating public employers, with the exception of the State, are not subject to supplemental assessment in the event of deficiencies.

The management of the Self-Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported and the unused portion of the Health Reimbursement Arrangement (HRA) liability. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Upon consultation with an actuary, claims liabilities are recomputed annually using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation, because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which claims are made.

B. Insurance Premiums Fund

The Insurance Premiums Fund provides general, civil (tort), and auto liability insurance to State agencies, workers' compensation insurance for State employees excluding NSHE, and auto physical damage and property insurance for State agencies.

For the period beginning January 1, 2001, and for each calendar year thereafter, the Fund purchased a high deductible policy for workers' compensation. Liabilities in the amount of \$52,989,939 as of June 30, 2014 were determined using standard actuarial techniques as estimates for the case, reserves, incurred but not reported losses and allocated loss adjustment expenses under the plan as of June 30, 2014.



(Note 11 Continued)

The Fund is financed by the State. The State has a maximum exposure of \$50,000 through October 1, 2007, \$75,000 through October 1, 2011 and \$100,000 thereafter for each general liability claim, with the exception of claims that are filed in other jurisdictions, namely, federal court. Those claims filed in federal court are not subject to the limit. Per State statute, if, as the result of future general liability or catastrophic losses, fund resources are exhausted, coverage is first provided by the reserve for statutory contingency account and would then revert to the General Fund.

The Fund is fully self-insured for general, civil and vehicle liability. The Fund is also self-insured for comprehensive and collision loss to automobiles, self-insured to \$250,000 for property loss with commercial insurance purchased to cover the excess above this amount, and commercially insured for losses to boilers and machinery and certain other risks.

At June 30, 2014, incurred but not reported claims liability for general, civil and auto liability insurance is based upon standard actuarial techniques, which take into account financial data, loss experience of other self-insurance programs and the insurance industry, the development of known claims, estimates of the cost of reported claims, incurred but not reported claims, and allocated loss adjustment expenses. The incurred but not reported claims liability for property casualty insurance is based upon the estimated cost to replace damaged property. The liability for estimated losses from reported and unreported claims in excess of the amounts paid for the workers' compensation policies is determined using standard actuarial techniques, which take into account claims history and

loss development factors for similar entities. This liability is further adjusted for a non-working escrow deposit on-hand with the insurer which is restricted for use as collateral against future losses and a loss fund on-hand with the insurer that is restricted for payment of claims. Incurred but not reported claims liabilities are included in the reserve for losses.

The State is contingently liable for the cost of post retirement heart disease benefits payable under the Nevada Occupational Disease Act. Any fireman or police officer that satisfies the five-year employment period requirement under this act is eligible for coverage under Workers' Compensation for heart disease. A range of estimated losses from \$4,681,600 to \$16,481,100 has been determined using standard actuarial techniques. Due to the high degree of uncertainty surrounding this coverage, no accrual for these losses is reflected in the financial statements.

At June 30, 2014 total liabilities exceeded total assets by \$54,176,807. The Fund is liable for approximately \$54,000,000 as of June 30, 2014 in potential claims settlements, which have yet to be funded through premium contributions. As NRS 331.187 provides that if money in the Fund is insufficient to pay a tort claim, the claim is to be paid from the reserve for statutory contingency account, and, as management assesses premiums to cover current claims payments, management believes that this provides the opportunity for the Fund to satisfy these liabilities.

Note 12 - Fund Balances and Net Position

A. Net Position-Restricted by Enabling Legislation

The government-wide statement of net position reports \$1,465,876,600 of net position-restricted for the primary government, of which \$183,746,549 is restricted by enabling legislation.

B. Governmental Fund Balances

Governmental fund balances are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the State is bound to observe constraints imposed on the use of the resources of the fund. A summary of governmental fund balances at June 30, 2014, is shown below (expressed in thousands):



(Note 12 Continued)

	Major Governmental Funds				Nonmajor	
	General	State Highway	Municipal Bond Bank	Permanent School	Governmental Funds	Total Governmental
Fund balances:						
Nonspendable:						
Municipal securities	\$ -	\$ -	\$ 255,620	\$ -	\$ -	\$ 255,620
Long term notes/loans receivable	14,911	-	-	-	-	14,911
Inventory	10,958	15,857	-	-	486	27,301
Advances	3,175	-	-	-	-	3,175
Prepaid items	10,211	2,312	-	-	612	13,135
Permanent fund principal	-	-	-	324,391	468	324,859
Restricted for:						
Capital projects	-	-	-	-	115,945	115,945
Conservation, parks and land	33,348	-	-	-	14,924	48,272
Debt service	-	-	-	-	26,312	26,312
Environmental protection	7,130	-	-	-	-	7,130
Health and social services	3,246	-	-	-	65,353	68,599
Housing, real estate & mortgage lending	3,652	-	-	-	29,970	33,622
Law, justice, and public safety	2,033	26,340	-	-	11,426	39,799
Other purposes	126	-	-	-	2,083	2,209
Regulation of business	1,790	-	-	-	5,642	7,432
Transportation	-	299,393	-	-	-	299,393
Wildlife	14,016	-	-	-	-	14,016
Committed to:						
Agriculture	5,026	-	-	-	448	5,474
Capital projects	-	-	-	-	7,137	7,137
College savings endowment	7,019	-	-	-	-	7,019
Conservation, parks and land	5,736	-	-	-	244	5,980
Debt service	-	-	3	-	125,875	125,878
Economic development	14,441	-	-	-	4,494	18,935
Education and support services	19,031	-	-	-	-	19,031
Environmental protection	41,353	-	-	-	7,343	48,696
Fiscal emergency	28,061	-	-	-	-	28,061
Gaming control	5,308	-	-	-	-	5,308
Health care financing and policy	32,350	-	-	-	-	32,350
Health and social services	27,584	-	-	-	3,994	31,578
Housing, real estate & mortgage lending	17,609	-	-	-	1,275	18,884
Law and justice	10,205	-	-	-	2,386	12,591
Legislative counsel bureau	27,895	-	-	-	-	27,895
Motor vehicles and public safety	13,623	1,412	-	-	-	15,035
Other purposes	9,184	-	-	-	-	9,184
Regulation of business	8,359	-	-	-	3,224	11,583
State energy office	5,337	-	-	-	-	5,337
Tobacco settlement programs	-	-	-	-	68,987	68,987
Transportation	-	8,443	-	-	-	8,443
Veterans' services	5,990	-	-	-	-	5,990
Welfare services	7,379	-	-	-	-	7,379
Wildlife	14,561	-	-	-	-	14,561
Unassigned:	(135,789)	-	-	-	-	(135,789)
Total fund balances	\$ 274,858	\$ 353,757	\$ 255,623	\$ 324,391	\$ 498,628	\$ 1,707,257

C. Individual Fund Deficit Nonmajor Special Revenue Funds

Hospital Care to Indigent Persons - The Hospital Care to Indigent Persons Fund accounts for taxes levied to provide care to indigent persons hospitalized from motor vehicle accidents, and for taxes received and payments to counties for supplemental medical assistance to indigent persons. The fund recorded a decrease in net position of \$373,823 for the year ended June 30, 2014, resulting in negative net position of \$190,129 at June 30, 2014.

Internal Service Fund:

Insurance Premiums - The Insurance Premiums Fund allocates the cost of fidelity insurance, property insurance and workers' compensation insurance to State agencies. The fund recorded an increase in net position of \$1,957,106 for the year ended June 30, 2014, resulting in negative net position of \$54,176,807 at June 30, 2014.



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Note 13 - Principal Tax Revenues

The principal taxing authorities for the State of Nevada are the Nevada Tax Commission and the Nevada Gaming Commission.

The Nevada Tax Commission was created under NRS 360.010 and is the taxing and collecting authority for most non-gaming taxes. The following are the primary non-gaming tax revenues:

Sales and Use Taxes are imposed at a minimum rate of 6.85%, with county and local option up to an additional 1.25%, on all taxable sales and taxable items of use. The State receives tax revenue of 2% of total sales with the balance distributed to local governmental entities and school districts.

Modified Business Tax is imposed at different rates for businesses and financial institutions. If the sum of all the wages paid by the employer exceeds \$85,000 for the calendar quarter, the tax is 1.17% of the amounts the wages exceed \$85,000. Modified Business Tax is imposed on financial institutions at 2% on gross wages paid by the employer during the calendar quarter. There is an allowable deduction from the gross wages for amounts paid by the employer for qualified health insurance or a qualified health benefit plan.

Insurance Premium Tax is imposed at 3.5% on insurance premiums written in Nevada. A "Home Office Credit" is given to insurance companies with home or regional offices in Nevada, but not to exceed 80% of the taxes due.

Motor Vehicle Fuel Tax is levied at 24.805 cents per gallon on gasoline and gasohol sales. 17.65 cents of the tax goes to the State Highway Fund, .75 cents goes to the Cleaning Up Petroleum Discharges Fund, .055 cents goes to the General Fund and the remaining 6.35 cents goes to the counties. The counties have an option to levy up to an additional 9 cents per gallon.

Other Sources of tax revenues include: Cigarette Tax, Controlled Substance Tax, Jet Fuel, Liquor Tax, Live Entertainment Tax (non-gaming establishments), Lodging Tax, Business License Fees, Motor Carrier Fees, Motor Vehicle Registration Fees, Net Proceeds of Minerals Tax, Property Tax, Real Property Transfer Tax, Short-Term Lessor Fees and Tire Tax.

The Nevada Gaming Commission was created under NRS 463.022 and is charged with collecting State gaming taxes and fees. The following sources account for gaming tax revenues:

Percentage Fees are the largest of several State levies on gaming. They are based upon gross revenue and are collected monthly. The fee is applied on a graduated basis at the following monthly rates: 3.5% of the first \$50,000 of gross revenue; 4.5% of the next \$84,000 of gross revenue; and 6.75% of the gross revenue in excess of \$134,000.

Live Entertainment Taxes are imposed at 10% of all amounts paid for admission, food, merchandise or refreshment, while the establishment is providing entertainment in facilities with less than occupancy/seating of 7,500. A 5% rate is imposed for facilities with at least 7,500 occupancy/seating.

Flat Fee Collections are levied on the number of gambling games and slot machines operated. Licensees pay fees at variable rates on the number of gaming devices operated per quarter.

Other Sources of gaming tax revenues include: Unredeemed Slot Machine Wagering Vouchers, Annual State Slot Machine Taxes, Annual License Fees and Miscellaneous Collections, which consists of penalties and fines, manufacturer's, distributor's and slot route operator's fees, advance payments, race wire fees, pari-mutuel wagering tax and other nominal miscellaneous items.

Note 14 - Works of Art and Historical Treasures

The State possesses certain works of art, historical treasures, and similar assets that are not included in the capital assets shown in Note 7. The mission of the Lost City Museum in Overton is to study, preserve, and protect prehistoric Pueblo sites found in the Moapa Valley and adjacent areas and to interpret these sites through exhibits and public programs. In Reno, the Nevada Historical Society exhibits and maintains a large number of historical collections preserving the cultural heritage of Nevada. These collections are divided into four sections: library, manuscripts, photography, and museum. The Nevada State Museum in Carson City collects, preserves, and documents three general types of collections: anthropology, history, and natural history as it relates to Nevada and the Great Basin. The mission of the Nevada State Museum, Las Vegas, is to inspire and educate a diverse public about the history and natural history of Nevada. Its major collections include transportation, mining, and tourism as well as daily artifacts such as clothing, historical correspondence, business records, and photography. The Nevada State Railroad Museum, which is located in Carson City, preserves the rich railroad heritage

of Nevada, including locomotives and cars of the famous Virginia & Truckee Railroad. The East Ely Depot Museum, located in the historic Nevada Northern Railroad Depot building, exhibits artifacts, documents, and photographs of early Eastern Nevada mining and railroad transportation. The Nevada Arts Council with locations in Carson City and Las Vegas exhibits artwork. Its mission is to enrich the cultural life of the State and make excellence in the arts accessible to all Nevadans.

These collections are not capitalized by the State because they are:

- Held for public exhibition, education or research in furtherance of public service, rather than financial gain,
- Protected, kept unencumbered, cared for and preserved, and
- Subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

**NEVADA****Note 15 - Commitments and Contingencies****A. Primary Government**

Lawsuits - The State Attorney General's Office reported that the State of Nevada or its officers and employees were parties to numerous lawsuits, in addition to those described below. In view of the financial condition of the State, the State Attorney General is of the opinion that the State's financial condition will not be materially affected by this litigation, based on information known at this time.

Several of the actions pending against the State are based upon the State's (or its agents') alleged negligence in which the State must be named as a party defendant. However, there is a statutory limit to the State's liability of \$50,000 per cause of action through October 1, 2007 and \$75,000 per cause of action through October 1, 2011 and \$100,000 per cause of action thereafter. Such limitation does not apply to federal actions such as civil rights actions under 42 U.S.C. Section 1983 brought under federal law or to actions in other states. Building and contents are insured on a blanket replacement cost basis for all risk except certain specified exclusions.

The State and/or its officers and employees are parties to a number of lawsuits filed under the federal civil rights statutes. However, the State is statutorily required to indemnify its officers and employees held liable in damages for acts or omissions on the part of its officers and employees occurring in the course of their public employment. Several claims may thus be filed against the State based on alleged civil rights violations by its officers and employees. Since the statutory limit of liability (discussed above) does not apply in federal civil rights cases, the potential liability of the State is not ascertainable at the present time. Currently, the State is involved in several actions alleging federal civil rights violations that could result in substantial liability to the State.

The State is litigating vigorously a Fair Labor Standards Act action brought by correctional officers against the State of Nevada's Department of Corrections, for back wages and overtime pay. The plaintiffs have yet to provide their actual damage amount. If the plaintiffs are successful in obtaining certification and in proving all of their claims, the back wages and overtime pay for three years could result in liability of \$40.0 million or more.

In litigation filed against the Department of Taxation (DOT), the plaintiff is seeking a declaration that the Live Entertainment Tax is unconstitutional on its face and that they do not have to pay the tax. The Live Entertainment Tax is collected by the DOT as well as the Gaming Control Board. The Gaming Control Board's collection of the Live Entertainment Tax has not been challenged. Should a refund be granted, the estimated amount to date is \$113.6 million. However, if the tax is found to be unconstitutional on its face, the statute may be completely stricken.

The Department of Taxation has litigated vigorously two lawsuits of like nature against utility companies. The lawsuits arose out of claims for the refund of \$143.0 million in use tax paid, plus interest, on coal purchased out of the state and used in Nevada. The companies claim the use tax is unconstitutional. The State won both cases in the Nevada Supreme Court and the 1st Judicial District Court. The utility companies have yet to appeal. The use tax distribution is shared between the State, counties and local governments. If the utility companies appeal and are successful, the State's exposure upon a potentially unfavorable outcome is \$43.1 million.

The State instituted a claim for declaratory relief relating to its actions in 2008 in terminating a forward delivery investment agreement between the State and Lehman Brothers Commercial Bank, a Utah industrial bank (LBCB). LBCB claimed that as a result of the termination, the State owed LBCB \$30.0 million. The State prevailed on the merits in state district court. LBCB has appealed that decision to the Nevada Supreme Court. In August of 2014 the briefing on the matter concluded and the Court has ordered the matter submitted for decision without oral argument. A decision could be issued at any time.

The Nevada Department of Transportation (NDOT) in an inverse condemnation case is taking a parcel for the I-15 road improvement project known as Project NEON, in Las Vegas. The landowner filed its preemptory claim against NDOT in hope to recover attorney fees. NDOT filed a motion to dismiss. There is a reasonable possibility of an unfavorable outcome for NDOT in the amount of \$6.6 million, before federal participation.

PERS - The Public Employees' Retirement System (PERS) has entered into investment funding commitments related to private markets to fund an additional \$967.6 million at some future date.

Leases - The State is obligated by leases for buildings and equipment accounted for as operating leases. Operating leases do not give rise to property rights as capital leases do. Therefore, the results of the lease agreements are not reflected in the Statement of Net Position. Primary government lease expense for the year ended June 30, 2014 amounted to \$35.6 million. The following is the primary government's schedule of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2014 (expressed in thousands):



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(Note 15 Continued)

For the Year Ending June 30	Amount
2015	\$ 26,739
2016	21,535
2017	17,486
2018	12,566
2019	9,409
2020-2024	24,985
2025-2029	5,779
2030-2034	527
Total	\$ 119,026

Federal Grants - The State receives significant financial assistance from the federal government in the form of grants and entitlements, which are generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by federal agencies. Any disallowance as a result of these audits could become a liability of the State. As of June 30, 2014, the State is unable to estimate the amount, if any, of expenditures that may be disallowed, although the State expects such amounts, if any, to be immaterial.

Rebate Arbitrage - The Federal Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a) is required to be rebated to the U.S. Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. Rebateable arbitrage is computed as of each installment computation date. The present value of the rebateable arbitrage is \$571,000 and has been recorded as a liability in the Statement of Net Position at June 30, 2014. Future calculations might result in different rebateable arbitrage amounts.

Nonexchange Financial Guarantees - The 1997 Nevada Legislature added NRS 387.513 through 387.528, allowing school districts to enter into guarantee agreements with the State Treasurer whereby money in the Permanent School Fund may be used to guarantee the debt service payments on certain bonds issued by Nevada school districts. The amount of the guarantee for bonds of each school district outstanding, at any one time, must not exceed \$40 million. Total bond guarantees at June 30, 2014 were \$200.4 million which includes accrued interest of \$1.3 million. The bonds mature at various intervals through fiscal year 2042. In the event any school district was unable to make a required payment, the State Treasurer would

withdraw from the State Permanent School Fund the amount needed to cover the debt service payment. Any amount withdrawn would be deemed a loan to the school district from the State Permanent School Fund, and the State Treasurer would determine the rate of interest on the loan. Repayment would be taken from distributions from the State Distributive School Account.

Encumbrances - As of June 30, 2014, encumbered expenditures in governmental funds were as follows (expressed in thousands):

	Amount
General Fund	\$ 8,838
State Highway	3,976
Nonmajor governmental funds	260
Total	\$ 13,074

Construction Commitments - As of June 30, 2014, the Nevada Department of Transportation had total contractual commitments of approximately \$127.4 million for construction of various highway projects. Other major non-highway construction commitments for the primary government's budgeted capital projects funds total \$24.1 million.

B. Discretely Presented Component Units

Nevada System of Higher Education (NSHE) - As of June 30, 2014, NSHE is a defendant or co-defendant in legal actions. Based on present knowledge and advice of legal counsel, NSHE management believes any ultimate liability in these matters, in excess of insurance coverage, will not materially affect the net position, changes in net position or cash flows of NSHE.

The NSHE has an actuarial study of its workers' compensation losses completed every other year. The study addresses the reserves necessary to pay open claims from prior years and projects the rates needed for the coming year. The NSHE uses a third party administrator to adjust its workers' compensation claims.

The NSHE is self-insured for its unemployment liability. The NSHE is billed by the State each quarter based on the actual unemployment benefits paid by the State. Each year the NSHE budgets resources to pay for the projected expenditures. The amount of future benefits payments to claimants and the resulting liability to the NSHE cannot be reasonably determined as of June 30, 2014.

The NSHE receives Federal grants and awards, and amounts are subject to change based on outcomes of Federal audits. Management believes any changes made will not materially



(Note 15 Continued)

affect the net position, changes in net position or cash flows of the NSHE.

The estimated cost to complete property authorized or under construction at June 30, 2014 is \$193.0 million. These costs will be financed by State appropriations, private donations, available resources and/or long-term borrowings.

The Board of Regents, at its June 6, 2014 meeting, approved the issuance of a Promissory Note in an amount up to \$2.0 million. The authorized note is not expected to be issued until calendar year 2015.

The Board of Regents approved at its June 6, 2014 meeting the issuance of up to \$85.0 million of State of Nevada General Obligation (Limited Tax) University System Bonds (Revenue Supported). These bonds will be secured by a general obligation of the State of Nevada and pledged revenues collected by the State. The bonds are expected to be issued during fiscal year 2015.

Colorado River Commission (CRC) - The CRC may from time to time be a party in various litigation matters. It is

management's opinion, based upon advice from legal counsel, that the risk of financial losses to CRC from such litigation, if any, will not have a material adverse effect on CRC's future financial position, results of operations or cash flows. Accordingly, no provision has been made for any such losses.

The CRC does not accrue for estimated future legal defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when the services are rendered.

Nevada Capital Investment Corporation (NCIC) - The NCIC currently has commitments to the Silver State Opportunity Fund of \$50.0 million (the First Tranche). As of June 30, 2014, the NCIC has fulfilled \$5.7 million of its total commitment. The NCIC has the right, but not the obligation, to increase its capital commitment by which would be effective after the end of the First Tranche (or such other date as the NCIC and Manager may agree). If the NCIC elects to make such an additional commitment, both the amount of the NCIC's additional commitment and an additional commitment from the Manager shall be established by agreement between the NCIC and the Manager (the Second Tranche).

Note 16 - Subsequent Events

A. Primary Government

Nevada Housing Division - On September 22, 2014, the Division launched the Home is Possible Down Payment (HiP-D) Grant program to offer single-family mortgages to qualified homeowners. The HiP-D program uses the To Be Announced (TBA) pass-through securities market to generate funds for mortgage loans. The TBA model provides for the generation of a significant premium on the sale of pooled mortgage-backed securities and provides a positive revenue stream to the Division. Via the HiP-D program, the Division's network of approved lenders fund loans and associated down payment grants on behalf of the Division. The lenders then sell the loans to the Division's master servicer, U.S. Bank. The Division has partnered with Raymond James as its investment partner who buys the securitized mortgage pools provided by the master servicer. Raymond James assumes all of the TBA hedging risk in this program and the Division, as the programs sponsor, receives a fee from each completed loan.

B. Discretely Presented Component Units

Nevada System of Higher Education - The Board of Regents, at its June 6, 2014 meeting, approved the issuance of up to \$36.2 million of NSHE Certificates of Participation. NSHE issued \$34.2 million of such certificates on August 7, 2014.

The Board of Regents, at its June 6, 2014 meeting, approved the issuance of a promissory Note in an amount up to \$16.0 million. On August 14, 2014, NSHE issued such note as a draw-down line of credit with an initial draw of \$100,000.

C. New Accounting Pronouncement

For the year ended June 30, 2014, the State adopted Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25*. In conjunction with GASB No. 67, pension plan participating employers are required to implement GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27* (effective for fiscal years beginning after June 15, 2014). This Statement establishes accounting and financial reporting requirements for contributing employers related to the recognition of pension expense and pension liabilities. Prior to this standard, the accounting and reporting requirements of the pension related liabilities followed a long-term funding policy perspective. The new standards separate the accounting and reporting requirements from the funding decisions and require the unfunded portion of the pension liability to be proportioned among the participating employers.

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014



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Note 17 - Accounting Changes and Restatements

The State implemented GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, in the current year which changed classifications on the Statement of Net Position to include new categories for deferred outflows of resources and deferred inflows of resources. The Statement of Net Position shows \$15,590,000 in deferred outflows of resources and \$704,000 in deferred inflows of resources at June 30, 2014.

REQUIRED SUPPLEMENTARY INFORMATION



In commemoration of Nevada's 150th birthday, Sesquicentennial belt buckles made their debut at the 95th Reno Rodeo in June of 2014.



Budgetary Comparison Schedule

General Fund and Major Special Revenue Funds

For the Fiscal Year Ended June 30, 2014

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Sources of Financial Resources				
Fund balances, July 1	\$ 723,100,929	\$ 723,100,929	\$ 723,100,929	\$ -
Revenues:				
Sales taxes	969,852,700	969,852,700	967,706,171	(2,146,529)
Gaming taxes, fees, licenses	871,705,421	871,705,421	881,839,657	10,134,236
Intergovernmental	2,405,052,919	2,769,343,119	2,416,191,428	(353,151,691)
Other taxes	1,373,173,165	1,400,134,773	1,334,278,598	(65,856,175)
Sales, charges for services	205,819,415	225,814,924	211,948,671	(13,866,253)
Licenses, fees and permits	573,960,891	598,856,774	589,655,179	(9,201,595)
Interest	8,721,423	9,345,442	1,630,405	(7,715,037)
Other	297,402,334	343,198,237	291,461,908	(51,736,329)
Other financing sources:				
Proceeds from sale of bonds	-	3,253,000	3,257,915	4,915
Transfers	548,842,572	738,761,089	612,674,051	(126,087,038)
Reversions from other funds	-	-	1,703,169	1,703,169
Total sources	7,977,631,769	8,653,366,408	8,035,448,081	(617,918,327)
Uses of Financial Resources				
Expenditures and encumbrances:				
Elected officials	193,355,973	200,688,036	168,611,074	32,076,962
Legislative and judicial	95,225,125	97,799,768	65,940,744	31,859,024
Finance and administration	80,783,112	84,117,808	64,269,344	19,848,464
Education	2,742,391,078	2,884,409,499	2,740,544,271	143,865,228
Human services	3,519,626,351	3,734,030,262	3,446,837,196	287,193,066
Commerce and industry	361,909,630	394,411,340	304,888,654	89,522,686
Public safety	402,573,124	438,984,552	382,108,839	56,875,713
Infrastructure	310,086,686	393,052,182	178,112,420	214,939,762
Special purpose agencies	50,632,720	106,223,769	61,197,806	45,025,963
Other financing uses:				
Transfers to other funds	34,836,180	42,374,764	42,374,764	-
Reversions to other funds	-	-	580,795	(580,795)
Projected reversions	(40,000,000)	(40,000,000)	-	(40,000,000)
Total uses	7,751,419,979	8,336,091,980	7,455,465,907	880,626,073
Fund balances, June 30	\$ 226,211,790	\$ 317,274,428	\$ 579,982,174	\$ 262,707,746



NEVADA

State Highway Fund				Municipal Bond Bank			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 131,663,989	\$ 131,663,989	\$ 131,663,989	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
321,846,293	354,935,550	332,901,740	(22,033,810)	-	-	-	-
300,456,700	312,238,381	308,031,749	(4,206,632)	-	-	-	-
16,781,007	17,239,407	18,001,798	762,391	-	-	-	-
185,422,107	195,278,438	194,564,353	(714,085)	-	-	-	-
202,814	556,215	575,580	19,365	16,328,629	16,328,629	11,027,602	(5,301,027)
47,872,887	28,742,375	23,983,484	(4,758,891)	-	-	4,815,000	4,815,000
-	100,026,125	100,018,664	(7,461)	-	-	-	-
11,592,815	20,025,142	18,970,417	(1,054,725)	-	-	-	-
-	-	-	-	-	-	-	-
1,015,838,612	1,160,705,622	1,128,711,774	(31,993,848)	16,328,629	16,328,629	15,842,602	(486,027)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
194,084,818	202,569,562	178,411,690	24,157,872	-	-	-	-
614,173,155	789,198,769	541,256,921	247,941,848	-	-	-	-
-	-	-	-	-	-	-	-
73,869,114	75,563,773	75,563,773	-	16,328,629	16,328,629	15,840,391	488,238
-	-	33,476	(33,476)	-	-	-	-
(46,302,875)	(130,302,875)	-	(130,302,875)	-	-	-	-
835,824,212	937,029,229	795,265,860	141,763,369	16,328,629	16,328,629	15,840,391	488,238
\$ 180,014,400	\$ 223,676,393	\$ 333,445,914	\$ 109,769,521	\$ -	\$ -	\$ 2,211	\$ 2,211

Notes to Required Supplementary Information Budgetary Reporting



NEVADA

For the Fiscal Year Ended June 30, 2014

The accompanying Budgetary Comparison Schedule – General Fund and Major Special Revenue Funds presents both the original and the final legally adopted budgets, as well as actual data on a budgetary basis. (Note 2 of the basic financial statements identifies the budgeting process and control.)

The original budget is adopted through passage of the General Appropriations Act, which allows for expenditures from unrestricted revenues, while the Authorized Expenditures Act allows for expenditures from revenues collected for specific purposes (restricted revenues). For programs financed from restricted revenues, spending authorization is generally contingent upon recognition of the related revenue. Reductions of spending authority occur if revenues fall short of estimates. If revenues exceed the estimate, supplemental appropriations are required before the additional resources can be spent.

Generally Accepted Accounting Principles (GAAP) require that the final legal budget be reflected in the “final budget” column. Therefore, updated revenue estimates available for appropriations as of August 27 are reported instead of the amounts disclosed in the original budget. The August 27, 2014 date is used because this is the date for which the Legislative Interim Finance Committee affected the last changes to the fiscal year ended June 30, 2014 budget as permitted by NRS 353.220.

Since the budgetary and GAAP presentations of actual data differ, a reconciliation of ending fund balances is presented below (expressed in thousands):

	General Fund	State Highway	Municipal Bond Bank
Fund balances (budgetary basis) June 30, 2014	\$ 579,982	\$ 333,446	\$ 2
Adjustments:			
<i>Basis differences:</i>			
Petty cash or outside bank accounts	3,921	172	-
Investments not recorded on the budgetary basis	10,858	-	255,620
Accrual of certain other receivables	204,528	726	1
Inventory	10,958	18,155	-
Advances to other funds	8,505	-	-
Accrual of certain accounts payable and other liabilities	(325,412)	-	-
Unearned revenues	(138,241)	-	-
Deferred inflows - unavailable	(99,155)	-	-
Encumbrances	8,838	3,976	-
Other	(1,242)	(2,718)	-
<i>Perspective differences:</i>			
Special revenue fund reclassified to General Fund for GAAP purposes	11,318	-	-
Fund balances (GAAP basis) June 30, 2014	<u>\$ 274,858</u>	<u>\$ 353,757</u>	<u>\$ 255,623</u>

Total fund balance on the budgetary basis in the General Fund at June 30, 2014, is composed of both restricted funds, which are not available for appropriation, and unrestricted funds as follows (expressed in thousands):

Total fund balance (budgetary basis)	\$ 579,982
Restricted funds	<u>(403,540)</u>
Unrestricted fund balance (budgetary basis)	<u><u>\$ 176,442</u></u>

Schedule of Funding Progress Pension Plans



NEVADA

For the Fiscal Year Ended June 30, 2014

Legislator's Retirement System (LRS)

Schedule of Funding Progress - Actuarial valuations of the LRS are prepared every two years to determine State contributions required to fund the system on an actuarial basis. Beginning with July 1, 2010, the Plan changed the biennial valuation from a calendar year to a fiscal year to be consistent with the financial statements. A schedule of funding progress follows (expressed in thousands):

Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of Assets to AAL	Annual Covered Payroll*	UAAL as a % of Annual Covered Payroll
07/01/10	\$ 5,608	\$ 4,134	\$ 1,474	74%	N/A	N/A
06/30/12	5,578	3,806	1,772	68%	N/A	N/A
06/30/14	5,550	4,303	1,247	78%	N/A	N/A

*Stipend legislators received does not qualify as payroll for purposes of GASB 67/68

Trends can be affected by the assets of the Plan, investment experience (favorable or unfavorable), characteristics of the covered members and beneficiaries, salary experience and retirement experience. Changes in benefits provisions and in actuarial methods and assumptions can also affect trends. Actuarial valuation is performed biennially; plans with biennial valuations need not present duplicate information for the intervening years.

LRS issues a stand-alone financial report which may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Judicial Retirement System (JRS)

Schedule of Funding Progress - The most recent actuarial valuation, dated June 30, 2014, is based on financial data as of that date. A schedule of funding progress follows (expressed in thousands):

Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of Assets to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
06/30/12	\$ 93,133	\$ 63,934	\$ 29,199	69%	\$ 16,635	176%
06/30/13	102,125	73,887	28,238	72%	17,186	164%
06/30/14	107,994	85,612	22,382	79%	18,934	118%

Trends can be affected by the assets of the Plan, investment experience (favorable or unfavorable), characteristics of the covered members and beneficiaries, salary experience and retirement experience. Changes in benefits provisions and in actuarial methods and assumptions can also affect trends.

JRS issues a stand-alone financial report which may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Schedule of Infrastructure Condition and Maintenance Data



NEVADA

For the Fiscal Year Ended June 30, 2014

The State has adopted the modified approach for reporting infrastructure assets defined as a single roadway network that includes bridges. Bridges are not considered a subsystem as they are included in the cost of road construction. Under this approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. The single roadway network accounted for under the modified approach includes the combination of approximately 5,400 centerline miles of roads and approximately 1,100 bridges.

The State manages its roadway network by dividing the roadway system into five categories based on the traffic load. The categories range from category I, representing the busiest roadways and interstates, to category V, representing the least busy rural routes with an average daily traffic of less than 200 vehicles. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). IRI measures the cumulative deviation from a smooth surface. The lower the IRI value, the better the condition of the roadway. The State has set a policy that it will maintain a certain percentage of each category of its roadways with an IRI of less than 80. The condition assessments show the condition level of the roadways for categories IV and V below the State's minimum percentage. Categories IV and V are non-national highway system roadways. Management is aware of the decline and will continue to monitor the results of future condition assessments. Considering the results of all three condition assessments together, they provide reasonable assurance that the condition level of the roadways is being preserved above, or approximately at, the condition level established. The State has set a policy that it will maintain its bridges so that not more than 10 percent are structurally deficient or functionally obsolete. The following tables show the State's policy and the condition level of the roadways and bridges.

Condition Level of the Roadways

Percentage of roadways with an IRI of less than 80

	Category				
	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2012 condition assessment	84%	85%	84%	32%	9%
Actual results of 2011 condition assessment	56%	79%	67%	30%	9%
Actual results of 2009 condition assessment	82%	82%	87%	56%	21%

Condition Level of the Bridges

Percentage of substandard bridges

	2012	2011	2009
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	4%	4%	5%

The following table shows the State's estimate of spending necessary to preserve and maintain the roadway network at, or above, the established condition level and the actual amount spent during the past five fiscal years.

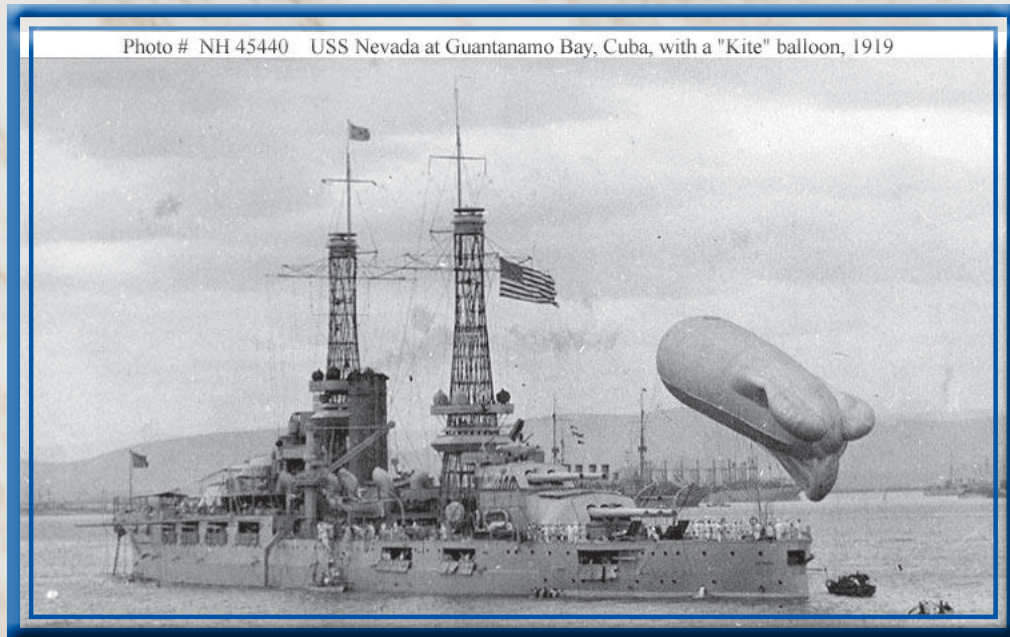
Maintenance and Preservation Costs

(Expressed in Thousands)

	2014	2013	2012	2011	2010
Estimated	\$ 433,338	\$ 402,650	\$ 322,210	\$ 490,910	\$ 181,054
Actual	360,904	325,313	304,333	404,871	151,448

Maintenance and preservation costs are primarily funded with highway user revenue, fuel taxes, vehicle registration and license fees. The funding level for maintenance and preservation costs is affected by the amount of taxes and fees collected and the amount appropriated for construction of new roadways.

COMBINING STATEMENTS AND SCHEDULES



(Above), Silver Service for the Battleship USS Nevada on display at the Nevada State Museum in Carson City.



(Right), Judge Chuck Weller shares the history of the USS Nevada on the steps of the Capitol on the 100th anniversary of the launch of the USS Nevada.

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

Employment Security Accounts for the administration of employment training programs (NRS 612.607), unemployment compensation claims (NRS 612.605), and employment security laws (NRS 612.615).

Unemployment Comp Bond Fund Accounts for special bond contributions assessed on employers for the purpose of retiring the bonds in the Unemployment Compensation Fund (NRS 612.613)

Regulatory Accounts for receipts and expenditures related to enforcement of regulations on manufactured housing (NRS 489.491), enforcement of regulations pursuant to dairy products (NRS 584.053), legal judgments against real estate licensees (NRS 645.842), regulation of public utilities (NRS 703.147), and regulation of taxicabs (NRS 706.8825).

Higher Education Capital Construction Accounts for the first \$5,000,000 and 20% of the remaining annual slot machine tax, which is designated for capital construction and payment of principal and interest of construction bonds for higher education (NRS 463.385).

Cleaning Up Petroleum Discharges Accounts for fees collected and claims paid related to the use, storage or discharge of petroleum (NRS 590.830).

Hospital Care to Indigent Persons Accounts for taxes levied to provide care to indigent persons hospitalized from motor vehicle accidents, and for taxes received and payments to counties for supplemental medical assistance to indigent persons (NRS 428.175).

Tourism Promotion Accounts for room taxes and other monies designated for the support of the Commission on Tourism (NRS 231.250).

Offenders' Store Accounts for operations of the general merchandise stores and snack bars used by offenders. Earnings, except interest, must be expended for the welfare and benefit of all offenders (NRS 209.221).

Tobacco Settlement Accounts for proceeds from settlement agreements with and civil actions against manufacturers of tobacco products, forty percent of which is allocated to the Millennium Scholarship fund for the purpose of increasing the number of State residents who enroll in and attend a university or community college of the Nevada System of Higher Education (NRS 396.926), and sixty percent of which is allocated to the Healthy Nevada fund (NRS 439.620) for the purpose of assisting Nevada residents in obtaining and maintaining good health.

Attorney General Settlement Accounts for receipts from the National Mortgage Settlement for purposes of foreclosure relief and housing programs.

Gift Accounts for gifts and grants received by the Department of Conservation and Natural Resources (NRS 232.070), the Department of Wildlife (NRS 501.3585), the State Board of Education (NRS 385.095), the State Library and Archives (NRS 378.090), the Division of State Parks (NRS 407.075), the Rehabilitation Division of the Department of Employment, Training and Rehabilitation (NRS 232.960), and the Department of Health and Human Services (NRS 232.355).

Natural Resources Accounts for grants to publicly owned water systems for water conservation and capital improvements (NRS 349.952).

NV Real Property Corp General Fund Accounts for the general fund activity of the Nevada Real Property Corporation, a blended component unit incorporated to finance certain construction projects.

Miscellaneous Accounts for receipts and expenditures related to compensation of victims of crime (NRS 217.260); fees related to private investigators and recoveries for unfair trade practices (NRS 228.096); prosecution of racketeering (NRS 207.415); and the office of advocate for customers of public utilities (NRS 228.310). It also accounts for private money received by the Division of Museums and History for the Dedicated Trust Fund (NRS 381.0031; receipts for the care of sites for the disposal of radioactive waste (NRS 459.231); and fees collected from owners of mobile home parks to provide mobile home lot rent assistance to low-income mobile home owners (NRS 118B.215).

NONMAJOR DEBT SERVICE FUNDS

Consolidated Bond Interest and Redemption Fund

Accumulates monies for the payment of leases and of principal and interest on general obligation bonds of the State (NRS 349.090).

Highway Revenue Bonds Accumulates monies for the payment of principal and interest on highway revenue bonds of the State (NRS 349.300).

NONMAJOR CAPITAL PROJECTS FUNDS

Parks Capital Project Construction Accounts for the parks improvements program for the Division of State Parks of the Department of Conservation and Natural Resources (NRS 407.065).

Capital Improvement Program - Motor Vehicle Accounts for capital improvement projects for the Department of Motor Vehicles and Public Safety (NRS 341.146).

Capital Improvement Program - Human Resources Accounts for capital improvement projects for the Department of Health and Human Services (NRS 341.146).

Capital Improvement Program - University System Accounts for capital improvement projects for the Nevada System of Higher Education (NRS 341.146).

Capital Improvement Program - General State Government Accounts for capital improvement projects for general government (NRS 341.146).

Capital Improvement Program - Prison System Accounts for capital improvement projects for the Department of Corrections (NRS 341.146).

Capital Improvement Program - Military Accounts for capital improvement projects for the Department of Military (NRS 341.146).

Capital Improvement Program - Wildlife Accounts for capital improvement projects for the Department of Wildlife (NRS 341.146).

NONMAJOR PERMANENT FUND

Henry Wood Christmas Fund Accounts for the bequest of the late Henry Wood to provide Christmas gifts to orphans.

Combining Balance Sheet Nonmajor Governmental Funds



NEVADA

June 30, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Henry Wood Christmas Permanent Fund	Total Nonmajor Governmental Funds
Assets					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 220,448,142	\$ 145,601,550	\$ 88,985,640	\$ 50,416	\$ 455,085,748
Cash in custody of other officials	104,262,958	-	-	-	104,262,958
Investments	1,503,907	-	-	-	1,503,907
<i>Receivables:</i>					
Accounts receivable	21,982,056	-	-	-	21,982,056
Taxes receivable	4,088,292	-	-	-	4,088,292
Intergovernmental receivables	7,152,110	767,714	1,089,200	-	9,009,024
Accrued interest and dividends	2,112	-	-	-	2,112
Other receivables	-	-	310,000	-	310,000
Due from other funds	13,109,051	648,307	2,905,324	134	16,662,816
Due from fiduciary funds	864,807	-	-	-	864,807
Due from component units	430	-	-	-	430
Inventory	485,916	-	-	-	485,916
Advances to other funds	-	903,819	-	-	903,819
Prepaid items	612,383	-	-	-	612,383
Total assets	\$ 374,512,164	\$ 147,921,390	\$ 93,290,164	\$ 50,550	\$ 615,774,268
Liabilities					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 7,484,856	\$ 263,495	\$ 45,622	\$ -	\$ 7,793,973
Accrued payroll and related liabilities	3,038,629	-	-	-	3,038,629
Intergovernmental payables	1,312,560	-	-	-	1,312,560
Interest payable	-	2,386,356	-	-	2,386,356
Contracts payable	-	-	4,328,711	-	4,328,711
Retention payable	-	-	519,917	-	519,917
Due to other funds	41,602,885	55,604	810,261	124	42,468,874
Due to fiduciary funds	5,602	-	-	-	5,602
Due to component units	1,401,238	27,062	10,757,369	-	12,185,669
Unearned revenues	1,243,211	-	-	-	1,243,211
Other liabilities	22,142,027	-	-	-	22,142,027
Total liabilities	78,231,008	2,732,517	16,461,880	124	97,425,529
Deferred Inflows of Resources					
<i>Unavailable revenue:</i>					
Sales and charges for services	3,796	-	-	-	3,796
Settlement income	19,000,000	-	-	-	19,000,000
Interest	344,317	20,950	978	31	366,276
Other	350,143	-	-	-	350,143
Total deferred inflows of resources	19,698,256	20,950	978	31	19,720,215
Fund Balances					
Nonspendable	1,536,310	-	-	30,000	1,566,310
Restricted	175,632,754	26,312,106	69,690,637	20,395	271,655,892
Committed	99,413,836	118,855,817	7,136,669	-	225,406,322
Total fund balances	276,582,900	145,167,923	76,827,306	50,395	498,628,524
Total liabilities, deferred inflows of resources and fund balances	\$ 374,512,164	\$ 147,921,390	\$ 93,290,164	\$ 50,550	\$ 615,774,268

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds



NEVADA

For the Fiscal Year Ended June 30, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Henry Wood Christmas Permanent Fund	Total Nonmajor Governmental Funds
Revenues					
Gaming taxes, fees, licenses	\$ 13,863,433	\$ -	\$ -	\$ -	\$ 13,863,433
Property and transfer taxes	11,627,930	134,627,753	-	-	146,255,683
Motor and special fuel taxes	-	70,100,866	-	-	70,100,866
Other taxes	106,603,199	-	-	-	106,603,199
Intergovernmental	83,918,707	7,787,880	4,728,676	-	96,435,263
Licenses, fees and permits	24,549,211	-	-	-	24,549,211
Sales and charges for services	16,382,902	477,453	-	-	16,860,355
Interest and investment income	3,939,122	893,446	11	323	4,832,902
Settlement income	40,120,320	-	-	-	40,120,320
Other	5,936,569	-	3,417,690	-	9,354,259
Total revenues	306,941,393	213,887,398	8,146,377	323	528,975,491
Expenditures					
<i>Current:</i>					
General government	348,397	332,764	-	-	681,161
Health and social services	103,165,238	-	-	-	103,165,238
Education and support services	652,998	-	-	-	652,998
Law, justice and public safety	27,043,743	-	-	-	27,043,743
Regulation of business	21,121,493	-	-	-	21,121,493
Recreation, resource development	27,829,075	-	-	-	27,829,075
Intergovernmental	26,027,890	167,250	10,000,000	-	36,195,140
Capital outlay	4,540,718	-	25,200,109	-	29,740,827
<i>Debt service:</i>					
Principal	-	164,200,000	-	-	164,200,000
Interest, fiscal charges	1,250,684	104,309,595	-	-	105,560,279
Debt issuance costs	849,109	76,400	609,532	-	1,535,041
Arbitrage payments	236,602	-	-	-	236,602
Total expenditures	213,065,947	269,086,009	35,809,641	-	517,961,597
Excess (deficiency) of revenues over expenditures	93,875,446	(55,198,611)	(27,663,264)	323	11,013,894
Other Financing Sources (Uses)					
Sale of general obligation bonds	1,455,000	-	50,430,000	-	51,885,000
Sale of general obligation refunding bonds	-	4,125,000	-	-	4,125,000
Premium on general obligation bonds	76,761	391,244	5,684,788	-	6,152,793
Payment to refunded bond agent	-	(4,424,628)	-	-	(4,424,628)
Sale of certificates of participation	50,445,000	-	-	-	50,445,000
Sale of refunding certificates of participation	35,785,000	-	-	-	35,785,000
Premium on certificates of participation	2,794,120	-	-	-	2,794,120
Payment to refunded certificates of participation agent	(42,799,477)	-	-	-	(42,799,477)
Sale of capital assets	55,559	-	-	-	55,559
Transfers in	20,985,871	40,519,426	6,909,313	-	68,414,610
Transfers out	(119,827,551)	(1,007,839)	(61,070)	(124)	(120,896,584)
Total other financing sources (uses)	(51,029,717)	39,603,203	62,963,031	(124)	51,536,393
Net change in fund balances	42,845,729	(15,595,408)	35,299,767	199	62,550,287
Fund balances, July 1	233,737,171	160,763,331	41,527,539	50,196	436,078,237
Fund balances, June 30	\$ 276,582,900	\$ 145,167,923	\$ 76,827,306	\$ 50,395	\$ 498,628,524

Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2014

	Employment Security	Unemployment Comp Bond Fund	Regulatory	Higher Education Capital Construction
Assets				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 12,244,248	\$ -	\$ 12,595,872	\$ 4,995,467
Cash in custody of other officials	125	57,204,386	500	-
Investments	-	-	-	-
<i>Receivables:</i>				
Accounts receivable	7,441	-	608,764	-
Taxes receivable	233,579	-	-	-
Intergovernmental receivables	6,580,367	-	-	-
Accrued interest and dividends	-	-	-	-
Due from other funds	2,259,347	42,784	144,950	9,550,569
Due from fiduciary funds	-	-	-	-
Due from component units	430	-	-	-
Inventory	-	-	-	-
Prepaid items	374,261	-	144,278	-
Total assets	\$ 21,699,798	\$ 57,247,170	\$ 13,494,364	\$ 14,546,036
Liabilities				
<i>Accounts payable and accruals:</i>				
Accounts payable	\$ 2,465,061	\$ -	\$ 192,855	\$ 750
Accrued payroll and related liabilities	1,689,232	-	829,490	-
Intergovernmental payables	744,335	-	27	-
Due to other funds	4,592,549	2,006,504	645,906	7,526,295
Due to fiduciary funds	56	-	28	-
Due to component units	24,966	-	7,500	-
Unearned revenues	-	-	1,243,211	-
Other liabilities	-	-	-	-
Total liabilities	9,516,199	2,006,504	2,919,017	7,527,045
Deferred Inflows of Resources				
<i>Unavailable revenue:</i>				
Sales and charges for services	-	-	3,796	-
Settlement income	-	-	-	-
Interest	223,334	9,977	4,808	-
Other	-	-	-	-
Total deferred inflows of resources	223,334	9,977	8,604	-
Fund Balances				
Nonspendable	374,261	-	144,278	-
Restricted	8,462,811	55,230,689	5,474,787	-
Committed	3,123,193	-	4,947,678	7,018,991
Total fund balances	11,960,265	55,230,689	10,566,743	7,018,991
Total liabilities, deferred inflows of resources and fund balances	\$ 21,699,798	\$ 57,247,170	\$ 13,494,364	\$ 14,546,036



NEVADA

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Cleaning Up Petroleum Discharges	Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Attorney General Settlement
\$ 11,208,274	\$ 12,226,517	\$ 3,579,974	\$ 4,399,841	\$ 74,104,619	\$ 31,397,807
-	-	-	-	-	-
-	-	-	-	-	-
700	-	-	752,446	19,000,000	-
-	444,013	3,410,700	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
31,583	33,828	95,194	44,197	313,823	124,609
-	-	-	811,520	-	-
-	-	-	-	-	-
-	-	-	300,730	-	-
-	-	16,385	46,922	3,724	2,234
<u>\$ 11,240,557</u>	<u>\$ 12,704,358</u>	<u>\$ 7,102,253</u>	<u>\$ 6,355,656</u>	<u>\$ 93,422,166</u>	<u>\$ 31,524,650</u>
\$ 348,811	\$ 377	\$ 2,012,237	\$ 431,805	\$ 668,807	\$ 621,243
243	-	105,265	205,636	17,489	20,577
-	-	311,416	250	115,357	-
3,541,591	12,886,222	162,974	258,176	4,575,142	882,907
-	-	-	5,518	-	-
-	-	-	-	16,612	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,890,645</u>	<u>12,886,599</u>	<u>2,591,892</u>	<u>901,385</u>	<u>5,393,407</u>	<u>1,524,727</u>
-	-	-	-	-	-
-	-	-	-	19,000,000	-
7,288	7,888	-	10,213	38,081	27,352
-	-	-	350,143	-	-
<u>7,288</u>	<u>7,888</u>	<u>-</u>	<u>360,356</u>	<u>19,038,081</u>	<u>27,352</u>
-	-	16,385	347,652	3,724	2,234
-	-	-	4,746,263	-	29,970,337
7,342,624	(190,129)	4,493,976	-	68,986,954	-
<u>7,342,624</u>	<u>(190,129)</u>	<u>4,510,361</u>	<u>5,093,915</u>	<u>68,990,678</u>	<u>29,972,571</u>
<u>\$ 11,240,557</u>	<u>\$ 12,704,358</u>	<u>\$ 7,102,253</u>	<u>\$ 6,355,656</u>	<u>\$ 93,422,166</u>	<u>\$ 31,524,650</u>

Combining Balance Sheet Nonmajor Special Revenue Funds



NEVADA

June 30, 2014

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	Gift	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Assets					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 2,344,119	\$ 14,959,817	\$ 481,593	\$ 35,909,994	\$ 220,448,142
Cash in custody of other officials	14,552	-	46,902,349	141,046	104,262,958
Investments	252,288	-	-	1,251,619	1,503,907
<i>Receivables:</i>					
Accounts receivable	2,655	-	-	1,610,050	21,982,056
Taxes receivable	-	-	-	-	4,088,292
Intergovernmental receivables	-	-	-	571,743	7,152,110
Accrued interest and dividends	2,112	-	-	-	2,112
Due from other funds	8,642	36,335	243,244	179,946	13,109,051
Due from fiduciary funds	-	-	-	53,287	864,807
Due from component units	-	-	-	-	430
Inventory	-	-	-	185,186	485,916
Prepaid items	-	-	-	24,579	612,383
Total assets	\$ 2,624,368	\$ 14,996,152	\$ 47,627,186	\$ 39,927,450	\$ 374,512,164
Liabilities					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 22,103	\$ 7,086	\$ -	\$ 713,721	\$ 7,484,856
Accrued payroll and related liabilities	-	-	-	170,697	3,038,629
Intergovernmental payables	500	140,371	-	304	1,312,560
Due to other funds	-	94,386	20,630	4,409,603	41,602,885
Due to fiduciary funds	-	-	-	-	5,602
Due to component units	-	-	1,352,160	-	1,401,238
Unearned revenues	-	-	-	-	1,243,211
Other liabilities	-	-	-	22,142,027	22,142,027
Total liabilities	22,603	241,843	1,372,790	27,436,352	78,231,008
Deferred Inflows of Resources					
<i>Unavailable revenue:</i>					
Sales and charges for services	-	-	-	-	3,796
Settlement income	-	-	-	-	19,000,000
Interest	1,613	8,196	-	5,567	344,317
Other	-	-	-	-	350,143
Total deferred inflows of resources	1,613	8,196	-	5,567	19,698,256
Fund Balances					
Nonspendable	-	-	-	647,776	1,536,310
Restricted	2,355,950	14,746,113	46,254,396	8,391,408	175,632,754
Committed	244,202	-	-	3,446,347	99,413,836
Total fund balances	2,600,152	14,746,113	46,254,396	12,485,531	276,582,900
Total liabilities, deferred inflows of resources and fund balances	\$ 2,624,368	\$ 14,996,152	\$ 47,627,186	\$ 39,927,450	\$ 374,512,164

SESQUICENTENNIAL CORN MAZES

Locally owned farms across the Silver State transformed their corn fields into intricate Sesquicentennial themed corn mazes.



Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2014

	Employment Security	Unemployment Comp Bond Fund	Regulatory	Higher Education Capital Construction
Revenues				
Gaming taxes, fees, licenses	\$ -	\$ -	\$ -	\$ 13,863,433
Property and transfer taxes	-	-	-	-
Other taxes	12,728,531	57,969,434	59,480	-
Intergovernmental	79,939,941	-	535,204	-
Licenses, fees and permits	311,712	-	19,322,482	-
Sales and charges for services	754,484	-	4,347	-
Interest and investment income	101,727	33,293	53,676	-
Settlement income	-	-	-	-
Other	1,117	-	967,469	-
Total revenues	93,837,512	58,002,727	20,942,658	13,863,433
Expenditures				
<i>Current:</i>				
General government	-	-	-	-
Health and social services	95,934,345	-	-	-
Education and support services	-	-	-	-
Law, justice and public safety	-	-	-	-
Regulation of business	-	-	20,760,229	-
Recreation, resource development	-	-	-	-
Intergovernmental	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Interest	-	-	183	325
Debt issuance costs	-	-	-	-
Arbitrage payments	-	-	-	-
Total expenditures	95,934,345	-	20,760,412	325
Excess (deficiency) of revenues over expenditures	(2,096,833)	58,002,727	182,246	13,863,108
Other Financing Sources (Uses)				
Sale of general obligation bonds	-	-	-	-
Premium on general obligation bonds	-	-	-	-
Sale of certificates of participation	-	-	-	-
Sale of refunding certificates of participation	-	-	-	-
Premium on certificates of participation	-	-	-	-
Payment to refunded certificates of participation agent	-	-	-	-
Sale of capital assets	1,754	-	53,805	-
Transfers in	4,260,916	-	212,557	-
Transfers out	(8,602,174)	(2,772,038)	(422,977)	(11,687,375)
Total other financing sources (uses)	(4,339,504)	(2,772,038)	(156,615)	(11,687,375)
Net change in fund balances	(6,436,337)	55,230,689	25,631	2,175,733
Fund balances, July 1	18,396,602	-	10,541,112	4,843,258
Fund balances, June 30	\$ 11,960,265	\$ 55,230,689	\$ 10,566,743	\$ 7,018,991



NEVADA

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Cleaning Up Petroleum Discharges	Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Attorney General Settlement
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	11,627,930	-	-	-	-
12,905,650	-	19,279,041	-	-	-
-	1,279,803	-	-	-	-
418,312	-	11,357	-	-	-
-	-	-	15,040,324	-	-
86,884	189,681	2,077	23,027	287,692	1,246,690
-	-	-	-	40,120,320	-
-	-	6,520	9,958	47,144	-
<u>13,410,846</u>	<u>13,097,414</u>	<u>19,298,995</u>	<u>15,073,309</u>	<u>40,455,156</u>	<u>1,246,690</u>
-	-	-	-	344,760	-
-	60,000	-	-	7,124,022	-
-	-	-	-	-	-
-	-	-	11,543,963	-	3,778,943
-	-	-	-	-	-
8,457,791	-	14,766,354	-	-	-
365,600	535,424	-	-	24,832,856	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>8,823,391</u>	<u>595,424</u>	<u>14,766,354</u>	<u>11,543,963</u>	<u>32,301,638</u>	<u>3,778,943</u>
<u>4,587,455</u>	<u>12,501,990</u>	<u>4,532,641</u>	<u>3,529,346</u>	<u>8,153,518</u>	<u>(2,532,253)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	69,873	-	14,951,008	-
(4,554,688)	(12,875,813)	(4,451,069)	(1,977,021)	(18,305,012)	(50,623,541)
(4,554,688)	(12,875,813)	(4,381,196)	(1,977,021)	(3,354,004)	(50,623,541)
32,767	(373,823)	151,445	1,552,325	4,799,514	(53,155,794)
7,309,857	183,694	4,358,916	3,541,590	64,191,164	83,128,365
<u>\$ 7,342,624</u>	<u>\$ (190,129)</u>	<u>\$ 4,510,361</u>	<u>\$ 5,093,915</u>	<u>\$ 68,990,678</u>	<u>\$ 29,972,571</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds



NEVADA

For the Fiscal Year Ended June 30, 2014

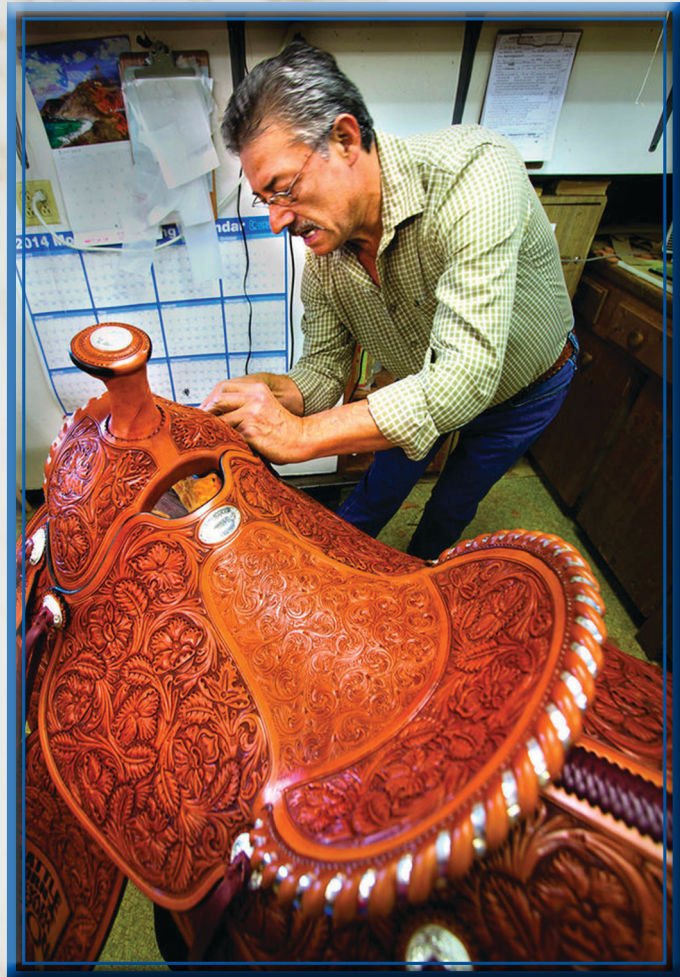
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	Gift	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Revenues					
Gaming taxes, fees, licenses	\$ -	\$ -	\$ -	\$ -	\$ 13,863,433
Property and transfer taxes	-	-	-	-	11,627,930
Other taxes	-	-	-	3,661,063	106,603,199
Intergovernmental	-	7,797	-	2,155,962	83,918,707
Licenses, fees and permits	-	-	-	4,485,348	24,549,211
Sales and charges for services	-	-	-	583,747	16,382,902
Interest and investment income	58,664	161,263	1,402,200	292,248	3,939,122
Settlement income	-	-	-	-	40,120,320
Other	636,661	346	2,699,768	1,567,586	5,936,569
Total revenues	695,325	169,406	4,101,968	12,745,954	306,941,393
Expenditures					
<i>Current:</i>					
General government	-	-	3,637	-	348,397
Health and social services	45,193	-	-	1,678	103,165,238
Education and support services	5,583	-	-	647,415	652,998
Law, justice and public safety	-	-	-	11,720,837	27,043,743
Regulation of business	-	-	-	361,264	21,121,493
Recreation, resource development	202,798	4,402,132	-	-	27,829,075
Intergovernmental	-	294,010	-	-	26,027,890
Capital outlay	-	-	4,540,718	-	4,540,718
<i>Debt service:</i>					
Interest	-	-	1,250,176	-	1,250,684
Debt issuance costs	-	29,670	819,439	-	849,109
Arbitrage payments	-	236,602	-	-	236,602
Total expenditures	253,574	4,962,414	6,613,970	12,731,194	213,065,947
Excess (deficiency) of revenues over expenditures	441,751	(4,793,008)	(2,512,002)	14,760	93,875,446
Other Financing Sources (Uses)					
Sale of general obligation bonds	-	1,455,000	-	-	1,455,000
Premium on general obligation bonds	-	76,761	-	-	76,761
Sale of certificates of participation	-	-	50,445,000	-	50,445,000
Sale of refunding certificates of participation	-	-	35,785,000	-	35,785,000
Premium on certificates of participation	-	-	2,794,120	-	2,794,120
Payment to refunded certificates of participation agent	-	-	(42,799,477)	-	(42,799,477)
Sale of capital assets	-	-	-	-	55,559
Transfers in	3,420	10,000	1,003,931	474,166	20,985,871
Transfers out	-	(343,923)	(3,019,775)	(192,145)	(119,827,551)
Total other financing sources (uses)	3,420	1,197,838	44,208,799	282,021	(51,029,717)
Net change in fund balances	445,171	(3,595,170)	41,696,797	296,781	42,845,729
Fund balances, July 1	2,154,981	18,341,283	4,557,599	12,188,750	233,737,171
Fund balances, June 30	\$ 2,600,152	\$ 14,746,113	\$ 46,254,396	\$ 12,485,531	\$ 276,582,900

SESQUICENTENNIAL SADDLE



Armando Delgado works on the Nevada sesquicentennial saddle that he made in honor of Nevada's 150th birthday at the J.M. Capriola Co. in Elko.



Combining Balance Sheet Other Nonmajor Governmental Funds

June 30, 2014

	Debt Service Funds			Capital Projects Funds	
	Consolidated Bond Interest and Redemption	Highway Revenue Bonds	Total	Parks Capital Project Construction	CIP Motor Vehicle
Assets					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 119,289,444	\$ 26,312,106	\$ 145,601,550	\$ 251,416	\$ 655,579
<i>Receivables:</i>					
Intergovernmental receivables	767,714	-	767,714	-	-
Other receivables	-	-	-	-	-
Due from other funds	648,307	-	648,307	235,833	49,437
Advances to other funds	903,819	-	903,819	-	-
Total assets	\$ 121,609,284	\$ 26,312,106	\$ 147,921,390	\$ 487,249	\$ 705,016
Liabilities					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 263,495	\$ -	\$ 263,495	\$ 12	\$ 295
Interest payable	2,386,356	-	2,386,356	-	-
Contracts payable	-	-	-	49,255	74,464
Retentions payable	-	-	-	-	-
Due to other funds	55,604	-	55,604	387,331	407,983
Due to component units	27,062	-	27,062	-	-
Total liabilities	2,732,517	-	2,732,517	436,598	482,742
Deferred Inflows of Resources					
<i>Unavailable revenue:</i>					
Interest	20,950	-	20,950	-	-
Total deferred inflows of resources	20,950	-	20,950	-	-
Fund Balances					
Restricted	-	26,312,106	26,312,106	-	-
Committed	118,855,817	-	118,855,817	50,651	222,274
Total fund balances	118,855,817	26,312,106	145,167,923	50,651	222,274
Total liabilities, deferred inflows of resources and fund balances	\$ 121,609,284	\$ 26,312,106	\$ 147,921,390	\$ 487,249	\$ 705,016



NEVADA

Capital Projects Funds

CIP Human Resources	CIP University System	CIP General State Government	CIP Prison System	CIP Military	CIP Wildlife	Total
\$ 3,684	\$ 8,565,399	\$ 33,929,881	\$ 33,875,840	\$ 11,563,334	\$ 140,507	\$ 88,985,640
-	-	-	93,184	988,550	7,466	1,089,200
-	-	310,000	-	-	-	310,000
-	2,504,194	-	-	23,649	92,211	2,905,324
-	-	-	-	-	-	-
<u>\$ 3,684</u>	<u>\$ 11,069,593</u>	<u>\$ 34,239,881</u>	<u>\$ 33,969,024</u>	<u>\$ 12,575,533</u>	<u>\$ 240,184</u>	<u>\$ 93,290,164</u>
\$ -	\$ 1,325	\$ 5,221	\$ 2,241	\$ 7	\$ 36,521	\$ 45,622
-	-	-	-	-	-	-
-	309,561	1,638,050	471,869	1,701,750	83,762	4,328,711
-	360	238,894	124,088	156,575	-	519,917
-	-	3,030	-	25	11,892	810,261
-	10,757,369	-	-	-	-	10,757,369
-	11,068,615	1,885,195	598,198	1,858,357	132,175	16,461,880
-	978	-	-	-	-	978
-	978	-	-	-	-	978
3,684	-	26,897,850	32,977,639	9,703,455	108,009	69,690,637
-	-	5,456,836	393,187	1,013,721	-	7,136,669
3,684	-	32,354,686	33,370,826	10,717,176	108,009	76,827,306
<u>\$ 3,684</u>	<u>\$ 11,069,593</u>	<u>\$ 34,239,881</u>	<u>\$ 33,969,024</u>	<u>\$ 12,575,533</u>	<u>\$ 240,184</u>	<u>\$ 93,290,164</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Other Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2014

	Debt Service Funds			Capital Projects Funds	
	Consolidated Bond Interest and Redemption	Highway Revenue Bonds	Total	Parks Capital Project Construction	CIP Motor Vehicle
Revenues					
Property and transfer taxes	\$ 134,627,753	\$ -	\$ 134,627,753	\$ -	\$ -
Motor and special fuel taxes	-	70,100,866	70,100,866	-	-
Intergovernmental	7,787,880	-	7,787,880	3,350	-
Sales and charges for services	477,453	-	477,453	-	-
Interest and investment income	893,446	-	893,446	11	-
Other	-	-	-	-	-
Total revenues	143,786,532	70,100,866	213,887,398	3,361	-
Expenditures					
<i>Current:</i>					
General government	332,764	-	332,764	-	-
Intergovernmental	167,250	-	167,250	-	-
Capital outlay	-	-	-	516,119	496,530
<i>Debt service:</i>					
Principal	107,980,000	56,220,000	164,200,000	-	-
Interest	81,887,175	22,422,420	104,309,595	-	-
Debt issuance costs	76,400	-	76,400	-	-
Total expenditures	190,443,589	78,642,420	269,086,009	516,119	496,530
Excess (deficiency) of revenues over expenditures	(46,657,057)	(8,541,554)	(55,198,611)	(512,758)	(496,530)
Other Financing Sources (Uses)					
Sale of general obligation bonds	-	-	-	-	-
Sale of general obligation refunding bonds	4,125,000	-	4,125,000	-	-
Premium on general obligation bonds	391,244	-	391,244	-	-
Payment to refunded bond agent	(4,424,628)	-	(4,424,628)	-	-
Transfers in	40,519,426	-	40,519,426	471,022	718,804
Transfers out	(1,007,839)	-	(1,007,839)	-	-
Total other financing sources (uses)	39,603,203	-	39,603,203	471,022	718,804
Net change in fund balances	(7,053,854)	(8,541,554)	(15,595,408)	(41,736)	222,274
Fund balances, July 1	125,909,671	34,853,660	160,763,331	92,387	-
Fund balances, June 30	\$ 118,855,817	\$ 26,312,106	\$ 145,167,923	\$ 50,651	\$ 222,274



NEVADA

Capital Projects Funds

CIP Human Resources	CIP University System	CIP General State Government	CIP Prison System	CIP Military	CIP Wildlife	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	106,984	4,289,572	328,770	4,728,676
-	-	-	-	-	-	-
-	-	-	-	-	-	11
1,070	-	3,416,620	-	-	-	3,417,690
1,070	-	3,416,620	106,984	4,289,572	328,770	8,146,377
-	-	-	-	-	-	-
-	10,000,000	-	-	-	-	10,000,000
3,208	-	11,114,015	4,513,201	7,548,852	1,008,184	25,200,109
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	109,815	228,479	237,104	34,134	-	609,532
3,208	10,109,815	11,342,494	4,750,305	7,582,986	1,008,184	35,809,641
(2,138)	(10,109,815)	(7,925,874)	(4,643,321)	(3,293,414)	(679,414)	(27,663,264)
-	9,085,626	18,903,376	19,616,934	2,824,064	-	50,430,000
-	-	-	-	-	-	-
-	1,024,189	2,130,908	2,211,345	318,346	-	5,684,788
-	-	-	-	-	-	-
-	-	3,887,888	-	1,239,004	592,595	6,909,313
(1,070)	-	(40,000)	-	(20,000)	-	(61,070)
(1,070)	10,109,815	24,882,172	21,828,279	4,361,414	592,595	62,963,031
(3,208)	-	16,956,298	17,184,958	1,068,000	(86,819)	35,299,767
6,892	-	15,398,388	16,185,868	9,649,176	194,828	41,527,539
\$ 3,684	\$ -	\$ 32,354,686	\$ 33,370,826	\$ 10,717,176	\$ 108,009	\$ 76,827,306

Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis

All General Fund Budgets

For the Fiscal Year Ended June 30, 2014

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	Final Budget	Actual	Variance
	\$	\$	\$
General Fund Unbudgeted Activity/Refunds	-	2,527,552	(2,527,552)
Elected Officials			
Office of the Governor	2,232,955	2,189,360	43,595
Governor's Mansion Maintenance	307,472	282,684	24,788
Governor's Washington Office	253,256	253,256	-
Ethics Commission	787,866	694,959	92,907
High Level Nuclear Waste	1,208,731	1,064,447	144,284
Governor's Office Energy Conservation	4,370,881	3,954,070	416,811
Renewable Energy/Energy Efficiency Loan Program	6,676,354	1,708,924	4,967,430
Renewable Energy	5,890,280	553,118	5,337,162
Lieutenant Governor	494,211	471,318	22,893
Attorney General Administrative Account	27,584,396	26,507,402	1,076,994
Attorney General Extradition Coordinator	670,428	658,164	12,264
Attorney General Special Fund	3,585,490	1,743,891	1,841,599
Attorney General Workers' Compensation Fraud	4,024,784	3,711,575	313,209
Attorney General Crime Prevention	277,405	269,020	8,385
Attorney General Medicaid Fraud	4,329,349	1,872,480	2,456,869
Attorney General Violence Against Women Grants	4,600,251	2,285,626	2,314,625
Attorney General Council For Prosecuting Attorneys	394,546	200,087	194,459
Attorney General Victims of Domestic Violence	522,182	381,632	140,550
Private Investigators Licensing Board	1,378,475	1,177,812	200,663
Secretary of State	15,085,921	13,817,046	1,268,875
Secretary of State HAVA Elections Account	3,608,985	983,598	2,625,387
Secretary of State Advisory Committee Gift	61	-	61
Secretary of State Notary Training	280,462	99,576	180,886
State Treasurer	2,606,977	2,469,967	137,010
Silicosis and Disabled Pensions	146,309	38,503	107,806
Nevada College Savings Trust	4,023,182	3,727,243	295,939
Endowment Account	12,938,295	5,931,344	7,006,951
College Savings Private Entity	83,419	-	83,419
Unclaimed Property	1,932,070	1,850,691	81,379
Controller's Office	5,172,037	4,890,163	281,874
Debt Recovery	483,730	85,842	397,888
Rainy Day	84,737,276	84,737,276	-
	200,688,036	168,611,074	32,076,962
Legislative-Judicial			
Judicial Branch			
Administrative Office of the Courts	5,603,972	3,360,377	2,243,595
Judicial Programs and Services Division	1,316,284	1,166,855	149,429
Uniform System of Judicial Records	3,705,226	987,739	2,717,487
Judicial Education	1,824,868	842,464	982,404
State Judicial Elected Officials	21,229,006	21,220,789	8,217
Judicial Support, Governance and Special Events	1,006,971	319,784	687,187
Judicial Retirement System State Share	2,037,650	2,037,650	-
Supreme Court	11,055,105	10,555,187	499,918
Specialty Courts	8,360,434	5,720,384	2,640,050
Senior Justice and Senior Judge Program	1,529,798	1,400,769	129,029
Judicial Selection	18,270	1,529	16,741
Foreclosure Mediation Program	3,539,350	1,927,498	1,611,852
Law Library Gift Fund	87,826	18,598	69,228
Law Library	1,641,753	1,596,393	45,360
Judicial Discipline	817,783	761,251	56,532
Legislative Branch			
Interim Finance Committee	26,511,021	13,727,148	12,783,873
Disaster Relief	7,513,130	296,329	7,216,801
So Nevada Community Project Fund	1,321	-	1,321
	97,799,768	65,940,744	31,859,024



	Final Budget	Actual	Variance
Finance and Administration			
Department of Administration			
Construction Education Account	\$ 345,708	\$ 204,529	\$ 141,179
Commission For Women	1,504	-	1,504
State Archives	1,235,006	1,195,416	39,590
NSLA - IPS Equipment/Software	32,444	-	32,444
Nevada State Library	4,904,680	4,735,961	168,719
Nevada State Library - CLAN	462,356	312,925	149,431
Special Appropriations	1,700,000	665,309	1,034,691
Judicial College/Juvenile and Family Justice	130,430	130,430	-
Budget and Planning	4,175,225	4,086,890	88,335
Internal Audit	1,236,708	1,230,806	5,902
Graffiti Reward Fund	7,706	-	7,706
Merit Award Board	1,100	-	1,100
Roof Maintenance Reserve	808,507	50,750	757,757
Public Works Division Administration	864,878	864,875	3
Public Works Division	272,104	267,974	4,130
Public Works Inspection	4,373,020	3,639,024	733,996
Public Works Retention Payment	94,330	866	93,464
Building Official Admin	1,934,076	481,547	1,452,529
State Unemployment Compensation	6,316,463	1,936,947	4,379,516
Hearings and Appeals	4,502,884	4,308,955	193,929
General Fund Salary Adjustment	16,024,944	6,384,908	9,640,036
State Claims	3,902,708	1,558,813	2,343,895
Emergency Fund	460,765	237,951	222,814
Statutory Contingency	3,393,110	2,917,601	475,509
Department of Taxation			
Department of Taxation	26,937,152	26,529,315	407,837
	84,117,808	61,741,792	22,376,016
Education			
Department of Education			
Distributive School Account	1,444,906,084	1,444,906,081	3
School Health Education - AIDS	40,228	27,112	13,116
Educator Effectiveness	150,000	150,000	-
School Remediation	99,565,966	87,804,251	11,761,715
State Supplemental School Support	144,981,421	141,236,516	3,744,905
Education State Programs	4,576,414	3,846,868	729,546
Educational Trust Fund	736,095	366,149	369,946
Career and Technical Education	11,089,848	8,829,818	2,260,030
Gear Up	7,732,279	4,822,682	2,909,597
Gear Up Scholarship Trust	11,849,261	1,825,074	10,024,187
Continuing Education	8,265,246	6,184,822	2,080,424
Proficiency Testing	6,732,044	5,783,831	948,213
Other State Education Programs	30,430,651	29,672,994	757,657
Account for Health Education of Minors	550	-	550
Education Technology Trust	20,420	-	20,420
Professional Licensing and Testing	2,464,827	1,360,703	1,104,124
Discretionary Grants - Unrestricted	455,447	216,247	239,200
Public Charter School Loan Program	750,000	144,413	605,587
Discretionary Grants - Restricted	32,994,507	18,777,687	14,216,820
Elementary and Secondary Ed - Title I	149,954,498	107,878,695	42,075,803
Elementary and Secondary Ed Titles II, V & VI	45,452,808	29,356,923	16,095,885
Individuals with Disabilities (IDEA)	93,803,269	76,607,730	17,195,539
Education Staffing Services	1,851,756	1,760,511	91,245
Education Support Services	3,813,430	2,250,597	1,562,833
Incentives for Licensed Educational Personnel	8,800,000	4,940,767	3,859,233
Student Indemnification Account	269,887	-	269,887
Nevada System of Higher Education			
Special Projects	3,150,561	1,672,012	1,478,549

Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis

All General Fund Budgets

For the Fiscal Year Ended June 30, 2014

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	Final Budget	Actual	Variance
Education for Dependent Children	\$ 48,231	\$ 2,812	\$ 45,419
University of Nevada - Reno	167,816,734	167,279,169	537,565
School of Medical Sciences	36,164,251	36,045,826	118,425
Intercollegiate Athletics UNR	4,965,230	4,965,230	-
Statewide Programs - UNR	7,018,477	7,016,541	1,936
University System Administration	4,747,300	4,747,300	-
University of Nevada Las Vegas	232,250,464	231,595,664	654,800
Intercollegiate Athletics UNLV	7,038,125	7,038,125	-
Agricultural Experiment Station	6,461,411	6,455,608	5,803
Cooperative Extension Service	5,332,529	4,948,152	384,377
System Computing Center	16,567,790	16,567,788	2
UNLV Law School	12,470,902	12,020,780	450,122
National Direct Student Loan Program	35,793	35,793	-
University Press	397,206	397,206	-
Statewide Programs - UNLV	2,862,214	2,862,214	-
Business Center North	1,826,295	1,826,295	-
Business Center South	1,628,993	1,628,993	-
Anatomical Gift Account	444,376	65,000	379,376
UNLV Dental School	15,581,477	15,311,475	270,002
Collegiate License Plate Account	322,744	310,295	12,449
Nevada State College at Henderson	18,554,882	18,528,868	26,014
College of Southern Nevada	130,526,153	128,305,502	2,220,651
Laboratory and Research	1,502,190	1,502,190	-
Great Basin College	16,145,501	15,883,896	261,605
Desert Research Institute	7,655,368	7,655,368	-
Western Nevada College	19,109,668	18,031,288	1,078,380
Truckee Meadows Community College	43,273,222	42,441,015	832,207
WICHE Loan and Stipend	1,184,320	1,008,237	176,083
WICHE Administration	328,459	326,063	2,396
State Public Charter School Authority	6,896,072	4,933,608	1,962,464
Commission on Postsecondary Education	415,625	385,487	30,138
	2,884,409,499	2,740,544,271	143,865,228
Human Services			
Director's Office			
DHR Administration	7,175,371	4,060,468	3,114,903
Grants Management Unit	28,311,710	26,685,823	1,625,887
Prevention/Treatment of Problem Gambling	2,013,617	1,386,811	626,806
IDEA Part C Compliance	3,972,105	3,846,447	125,658
Developmental Disabilities	658,901	567,341	91,560
Victims of Human Trafficking	50,000	-	50,000
Public Defender	3,592,319	3,506,079	86,240
Consumer Health Assistance	1,766,190	1,422,401	343,789
DHR Children's Trust Account	1,025,987	572,114	453,873
UPL Holding Account	5,411,315	912,500	4,498,815
Aging and Disability Services Division			
Early Intervention Services	33,579,668	28,117,404	5,462,264
Family Preservation Program	2,776,202	2,672,978	103,224
Rural Regional Center	15,537,825	14,411,859	1,125,966
Desert Regional Center	100,673,513	97,236,528	3,436,985
Sierra Regional Center	35,934,676	35,608,046	326,630
Aging Federal Programs and Administration	26,878,190	19,353,224	7,524,966
Disability Services	26,382,434	22,354,177	4,028,257
Division of Health Care Financing and Policy			
Intergovernmental Transfer Program	122,478,503	89,071,905	33,406,598
Health Care Financing and Policy	147,483,747	123,305,298	24,178,449
Increased Quality of Nursing Care	30,947,740	28,830,294	2,117,446
Nevada Check-Up Program	40,591,807	38,074,359	2,517,448
Nevada Medicaid	2,062,434,781	2,027,481,858	34,952,923



	Final Budget	Actual	Variance
Division of Public and Behavioral Health			
Radiological Health	\$ 4,538,675	\$ 2,674,405	\$ 1,864,270
Cancer Control Registry	1,464,599	807,123	657,476
HHS - SAPTA	23,735,617	20,242,747	3,492,870
Health Statistics and Planning	1,987,473	1,208,262	779,211
Consumer Protection	2,556,328	1,899,735	656,593
So NV Adult Mental Health Services	91,600,361	88,921,695	2,678,666
No NV Adult Mental Health Services	30,236,554	28,913,375	1,323,179
Behavioral Health Information System	2,801,121	2,460,861	340,260
Behavioral Health Administration	10,418,765	7,473,380	2,945,385
Facility for the Mental Offender	10,243,185	9,976,694	266,491
Alcohol Tax Program	1,805,676	1,451,873	353,803
Rural Clinics	12,473,431	11,623,594	849,837
Immunization Program	10,040,087	7,464,812	2,575,275
Marijuana Health Registry	3,567,612	1,146,523	2,421,089
WIC Food Supplement	72,826,006	65,534,267	7,291,739
Communicable Diseases	20,099,804	17,797,878	2,301,926
Health Facilities	16,868,915	8,914,366	7,954,549
Health Facilities-Admin Penalty	349,412	62,570	286,842
Public Health Preparedness Program	12,659,391	12,057,398	601,993
Biostatistics and Epidemiology	5,521,522	4,937,803	583,719
Chronic Disease	7,655,805	6,307,077	1,348,728
Maternal Child Health Services	10,166,908	8,440,002	1,726,906
Office of State Health Administration	6,444,284	4,451,834	1,992,450
Community Health Services	3,627,420	3,087,994	539,426
Emergency Medical Services	1,085,706	925,263	160,443
Child Care Services	1,575,691	1,202,671	373,020
Division of Welfare and Supportive Services			
Welfare Administration	64,836,971	46,605,759	18,231,212
Temp Assistance for Needy Families	51,241,139	50,109,126	1,132,013
Assistance to Aged and Blind	8,608,987	8,608,987	-
Welfare Field Services	89,839,767	83,717,620	6,122,147
Child Support Enforcement Program	21,743,596	12,926,950	8,816,646
Collection and Distribution Account	39,052,413	22,029,300	17,023,113
Child Care Assistance and Development	38,568,840	31,086,551	7,482,289
Energy Assistance - Welfare	23,366,764	19,421,921	3,944,843
Division of Child and Family Services			
Community Juvenile Justice Programs	4,911,449	3,664,135	1,247,314
Washoe County Integration	35,446,377	28,827,696	6,618,681
Clark County Child Welfare	104,887,534	89,645,359	15,242,175
UNITY/SACWIS	6,438,047	6,059,985	378,062
Children, Youth and Family Administration	21,808,582	17,390,810	4,417,772
Youth Alternative Placement	4,191,465	4,191,465	-
Juvenile Correctional Facility	3,524,879	3,038,031	486,848
Caliente Youth Center	8,050,686	7,783,566	267,120
Victims of Domestic Violence	3,572,354	2,826,831	745,523
Rural Child Welfare	19,680,774	17,676,105	2,004,669
Transition from Foster Care	1,912,512	644,272	1,268,240
Review of Death of Children	355,511	75,019	280,492
Nevada Youth Training Center	6,992,494	6,405,830	586,664
Youth Parole Services	6,127,415	5,217,298	910,117
Farm Account - Youth Training Center	11,650	-	11,650
No NV Child and Adolescent Services	7,822,879	7,459,591	363,288
So NV Child and Adolescent Services	24,202,191	21,406,965	2,795,226
Department of Employment, Training and Rehabilitation			
Blind Business Enterprise Program	6,653,279	2,203,800	4,449,479
Services to the Blind	4,265,246	3,919,906	345,340
Vocational Rehabilitation	17,585,854	16,609,518	976,336
Rehabilitation Administration	1,416,834	1,167,479	249,355
Disability Adjudication	16,749,703	15,070,226	1,679,477

Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis

All General Fund Budgets

For the Fiscal Year Ended June 30, 2014

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	Final Budget	Actual	Variance
Office of Equal Rights	\$ 1,416,068	\$ 1,231,131	\$ 184,937
DETR Administrative Services	6,113,865	5,557,118	556,747
Research and Analysis	2,931,188	2,526,068	405,120
Information Development and Processing	13,676,000	12,270,662	1,405,338
	3,734,030,262	3,446,837,196	287,193,066
Commerce and Industry			
Office of Economic Development			
Governor's Office of Economic Development	10,273,164	10,139,259	133,905
Motion Pictures	987,521	681,331	306,190
Rural Community Development	2,379,964	1,719,391	660,573
NV SSBCI Program	8,642,685	850,251	7,792,434
Nevada Catalyst Fund	10,040,932	-	10,040,932
GOED Nevada Knowledge Fund	5,018,679	824,146	4,194,533
Small Business and Procurement	549,569	527,079	22,490
Commission on Mineral Resources			
Minerals	3,257,098	2,276,914	980,184
Bond Reclamation	6,330,510	513,512	5,816,998
Department of Agriculture			
Nevada Beef Council	301,045	293,807	7,238
Commodity Food Program	17,283,493	15,089,885	2,193,608
Nutrition Education Programs	130,578,974	127,494,363	3,084,611
Weed Abatement and Control	100,076	-	100,076
Plant Health and Quarantine Services	449,144	443,619	5,525
Agriculture Research and Promotion	107,904	1,692	106,212
Agricultural Registration/Enforcement	4,454,628	2,865,933	1,588,695
Livestock Inspection	1,938,490	1,487,538	450,952
Agriculture License Plates	32,105	16,925	15,180
Veterinary Medical Services	1,128,533	1,027,653	100,880
Consumer Equitability	3,704,519	2,502,171	1,202,348
Pest, Plant Disease and Noxious Weed	1,382,788	1,148,594	234,194
Junior Agricultural Loan Program	254,845	-	254,845
Agriculture Administration	2,712,499	2,696,362	16,137
Rangeland Resources Commission	224,090	101,562	122,528
Rangeland Grasshopper and Mormon Cricket	476,349	84,611	391,738
Predatory Animal and Rodent Control	1,142,706	988,440	154,266
Department of Tourism and Cultural Affairs			
Lost City Museum	448,949	418,083	30,866
LV Springs Preserve Museum Dev	602,835	173,536	429,299
Nevada Historical Society	552,054	493,362	58,692
Nevada State Museum	1,608,036	1,560,063	47,973
Museums and History Administration	363,962	362,514	1,448
Nevada State Museum, Las Vegas	1,418,322	1,394,842	23,480
State Railroad Museums	1,308,793	1,168,296	140,497
Nevada Humanities	50,000	50,000	-
Nevada Arts Council	2,051,080	1,939,605	111,475
Indian Commission	261,757	245,597	16,160
Gaming Control Board			
Gaming Control Board	43,694,797	38,189,529	5,505,268
Gaming Control Federal Forfeiture	673,369	46,708	626,661
Gaming Control - Forfeiture Account	642,449	89,444	553,005
Gaming Control - Other State Forfeiture	505,440	-	505,440
Federal Forfeiture Treasury	5,198,497	179,380	5,019,117
Gaming Commission	412,303	359,170	53,133
Department of Business and Industry			
Business and Industry Administration	4,674,963	4,145,982	528,981
New Market Performance Guarantee	6,250,000	-	6,250,000
Nevada Home Retention Program	49,000,000	49,000,000	-
Industrial Development Bonds	546,181	19,249	526,932
Special Housing Assistance	5,003,042	2,708,357	2,294,685
Low Income Housing Trust Fund	20,640,002	5,981,920	14,658,082



	Final Budget	Actual	Variance
DOE Weatherization	\$ 6,016,954	\$ 4,515,078	\$ 1,501,876
Employee Management Relations	607,211	440,118	167,093
Common Interest Communities	3,925,238	1,774,913	2,150,325
Real Estate	2,746,623	2,587,334	159,289
Athletic Commission	859,585	630,775	228,810
Labor Relations	1,452,509	1,312,315	140,194
Division of Mortgage Lending	4,660,218	1,869,617	2,790,601
Attorney for Injured Workers	3,348,670	3,217,291	131,379
Financial Institutions Investigations	974,839	35,306	939,533
Financial Institutions	6,383,078	3,141,743	3,241,335
Financial Institutions Audit	271,718	101,649	170,069
Transportation Services Authority	2,949,140	2,788,512	160,628
TSA Administrative Fines	556,416	173,328	383,088
	394,411,340	304,888,654	89,522,686
Public Safety			
Department of Corrections			
Prison Medical Care	45,888,200	45,374,607	513,593
Corrections Administration	24,065,552	23,795,887	269,665
Correctional Programs	7,301,563	7,044,952	256,611
So Nevada Correctional Center	232,079	231,532	547
Warm Springs Correctional Center	10,216,228	10,130,449	85,779
No Nevada Correctional Center	25,903,687	25,833,118	70,569
Nevada State Prison	83,507	83,427	80
Stewart Conservation Camp	1,701,627	1,691,984	9,643
Pioche Conservation Camp	1,612,661	1,608,679	3,982
Restitution Center North	1,272,719	1,250,454	22,265
Three Lakes Valley Conservation Camp	2,230,362	2,227,979	2,383
Southern Desert Correctional Center	21,355,170	21,330,045	25,125
Wells Conservation Camp	1,182,997	1,168,259	14,738
Humboldt Conservation Camp	1,197,266	1,188,836	8,430
Ely Conservation Camp	1,245,140	1,231,237	13,903
Jean Conservation Camp	1,490,219	1,425,740	64,479
Silver Springs Conservation Camp	2,352	2,352	-
Ely State Prison	25,475,416	25,336,303	139,113
Carlin Conservation Camp	1,189,786	1,179,465	10,321
Tonopah Conservation Camp	1,280,030	1,267,610	12,420
Lovelock Correctional Center	21,915,492	21,810,227	105,265
Florence McClure Women's Correctional Center	13,968,329	13,917,694	50,635
High Desert State Prison	44,431,188	44,403,320	27,868
Casa Grande Transitional Housing	4,330,360	4,272,875	57,485
Department of Public Safety			
Emergency Management Division	6,847,316	4,034,106	2,813,210
Emergency Mgmt Assistance Grant	37,775,474	16,900,718	20,874,756
Emergency Assistance Subaccount	520,599	85,247	435,352
Parole and Probation	42,132,469	41,243,117	889,352
Fund for Reentry Programs	6,947	-	6,947
Investigations	7,521,591	6,356,003	1,165,588
Training Division	1,133,228	1,072,996	60,232
Parole Board	2,579,111	2,505,324	73,787
Fire Marshal	3,091,341	2,528,407	562,934
Traffic Safety	13,206,121	6,288,691	6,917,430
Highway Safety Plan and Administration	8,666,527	4,567,255	4,099,272
Motorcycle Safety Program	703,203	372,215	330,988
Public Safety General Services	6,246,393	5,398,705	847,688
K-9 Program	58,614	46,187	12,427
Forfeitures	2,540,251	1,795,803	744,448
Justice Assistance Account	2,117,107	536,436	1,580,671
Justice Assistance Grant	3,970,094	2,461,820	1,508,274
Criminal History Repository	23,434,762	14,038,033	9,396,729
Office of Homeland Security	431,510	416,089	15,421

Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis

All General Fund Budgets

For the Fiscal Year Ended June 30, 2014

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	Final Budget	Actual	Variance
Child Volunteer Background Checks Trust	\$ 15,087	\$ 15,087	\$ -
Contingency Account for Haz Mat	514,309	311,803	202,506
Cigarette Fire Safety Standard	186,448	29,435	157,013
Justice Grant	508,624	479,713	28,911
Dignitary Protection	1,040,493	981,643	58,850
Department of Motor Vehicles			
Motor Vehicle Pollution Control	11,924,365	9,898,038	2,026,327
Peace Officers Standards and Training	2,240,638	1,938,937	301,701
	438,984,552	382,108,839	56,875,713
Infrastructure			
Department of Wildlife			
Conservation Education	2,519,923	2,129,557	390,366
Law Enforcement	7,072,597	6,323,162	749,435
Game Management	5,721,625	4,979,639	741,986
Fisheries Management	8,223,457	6,974,627	1,248,830
Diversity	2,476,967	2,014,092	462,875
Habitat	6,860,546	5,587,888	1,272,658
Wildlife Director's Office	3,837,872	3,576,470	261,402
Wildlife Operations	8,588,037	7,969,193	618,844
Wildlife Heritage Account	7,636,498	387,788	7,248,710
Wildlife Fund	34,359,400	20,093,249	14,266,151
Wildlife Habitat Enhancements	7,695,477	921,316	6,774,161
Department of Conservation and Natural Resources			
State Environmental Commission	283,701	168,968	114,733
Natural Resources Administration	1,263,049	1,090,370	172,679
Conservation and Natural Resources Gift	157,500	10,000	147,500
NV State Parks/Cultural Resources Endowment	510,000	-	510,000
Water Resources Legal Cost	2,825,706	322,035	2,503,671
Tahoe Regional Planning Agency	14,807,760	1,537,553	13,270,207
Conservation Districts	537,696	417,348	120,348
Cultural Resource Program	1,144,689	155,597	989,092
Historic Preservation and Archives	1,788,918	1,489,236	299,682
Comstock Historic District	164,959	164,873	86
Comstock Historical District Gifts	55,429	18,028	37,401
Parks Federal Grant Programs	6,686,229	1,476,651	5,209,578
State Parks	13,083,710	10,670,487	2,413,223
State Parks Interpretive and Educational Program	888,609	560,389	328,220
Maintenance of State Parks	2,543,643	900,429	1,643,214
State Parks Facility and Grounds Maintenance	14,956,785	170,363	14,786,422
Coyote Springs Groundwater Basin	38,136	4,175	33,961
Flood Control Revenue Fund	251,982	10,913	241,069
USGS Co-Op	1,317,399	467,514	849,885
Groundwater Recharge Projects	332,166	48,889	283,277
Water Right Surveyors	70,617	7,155	63,462
Well Driller's Licenses	50,549	32,759	17,790
Water Resources	8,681,482	6,185,257	2,496,225
Water Resources Cooperative Project	1,373,631	431,744	941,887
State Engineer Revenue	267,917	64,087	203,830
Little Humboldt River	147,416	46,655	100,761
Quinn River Distribution	53,430	2,659	50,771
Water Studies	277,000	-	277,000
Adjudication Emergency	16,623	677	15,946
Steptoe Valley Water Basin	15,543	8,212	7,331
Diamond Valley Ground Water	24,821	12,709	12,112
Lake Valley Ground Water Basin	33,548	3,294	30,254
Middle Reese River Ground Water Basin	35,069	1,551	33,518
Dixie Creek/10 Mi Ground Water	15,815	5,147	10,668
Churchill Valley Ground Water	16,174	6,563	9,611
Colorado River Valley	17,427	170	17,257
Washoe Valley Ground Water	15,276	4,192	11,084



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	Final Budget	Actual	Variance
Amargosa Valley Ground Water	\$ 23,745	\$ 6,053	\$ 17,692
Las Vegas Basin Water District	4,983,756	1,306,157	3,677,599
Muddy River Surface Water	27,869	12,068	15,801
Pahrnagat Lake	76,777	56,023	20,754
Pahrump Artesian Basin	184,764	38,984	145,780
Boulder Flat Ground Water	125,917	6,166	119,751
Dayton Valley Ground Water	26,629	12,686	13,943
Mason Valley Ground Water	138,484	18,054	120,430
Humboldt Water District	458,975	266,558	192,417
Water District Revenue Fund	3,702,896	3,405,096	297,800
Smith Valley Artesian Basin	56,919	16,124	40,795
Currant Creek	5,251	-	5,251
Duckwater Creek	51,038	11,505	39,533
Paradise Valley Ground Water	37,211	10,335	26,876
Upper White River	12,109	3,143	8,966
Muddy River Springs	15,283	1,928	13,355
Kingston Creek	6,103	-	6,103
Warm Springs/Winnemucca Creek	15,672	3,632	12,040
Eagle Valley	71,023	4,938	66,085
Carson Valley Ground Water	47,795	14,835	32,960
Fish Lake Valley Artesian	20,437	5,657	14,780
Carico Creek	443	12	431
Lemmon Valley	52,364	3,876	48,488
Truckee Meadows/Sun Valley	126,167	30,214	95,953
Antelope Valley Ground Water Basin	15,983	1,067	14,916
Warm Springs Ground Water	35,328	393	34,935
Lower Moapa Valley Groundwater	11,002	202	10,800
Honey Lake Valley	20,665	217	20,448
Whirlwind Valley	12,575	286	12,289
Crescent Water Groundwater	26,622	2,524	24,098
Clovers Area Groundwater	40,558	2,218	38,340
Cold Springs Valley	26,336	658	25,678
Imlay Ground Water	10,198	5,859	4,339
Kelly Creek Ground Water	37,718	1,617	36,101
Lower Reese River Valley	28,982	1,199	27,783
Maggie Creek	47,678	5,137	42,541
North Fork Ground Water	25,062	1,394	23,668
Pleasant Valley	6,603	3,397	3,206
Forestry	19,492,440	11,449,628	8,042,812
Forest Fire Suppression/Emergency Response	11,531,036	8,404,934	3,126,102
Forestry Conservation Camps	11,744,959	9,151,397	2,593,562
Forestry Inter-Gov Agreements	3,724,606	3,052,776	671,830
Wildland Fire Protection Program	1,482,774	665,303	817,471
Tahoe License Plates	1,956,324	179,294	1,777,030
Nevada Tahoe Regional Planning Agency	1,318	474	844
State Lands	1,958,839	1,634,397	324,442
State Lands Revolving Account	125,806	57,548	68,258
Tahoe Bond Sale	1,232,814	37,992	1,194,822
Tahoe Mitigation	3,453,100	539,263	2,913,837
Nevada Natural Heritage	1,078,807	787,274	291,533
AB9/Q1 Bonds	12,137,417	3,177,006	8,960,411
Storage Tank Management	329,886	-	329,886
Environmental Protection Administration	6,713,092	5,848,386	864,706
Chemical Hazard Prevention	1,139,438	480,881	658,557
Reclamation Surety Account	35,755,316	-	35,755,316
Air Quality Management Account	12,491,348	3,372,445	9,118,903
Air Quality	9,173,174	6,673,457	2,499,717
Bureau of Water	7,540,605	3,920,559	3,620,046
Water Quality Planning	7,185,228	3,873,200	3,312,028
Safe Drinking Water Regulatory Program	5,057,683	3,014,321	2,043,362

Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis

All General Fund Budgets



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For the Fiscal Year Ended June 30, 2014

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	Final Budget	Actual	Variance
Bureau of Waste Management and Corrective Actions	\$ 19,679,864	\$ 11,292,852	\$ 8,387,012
Mining Regulation/Reclamation	7,084,105	2,424,784	4,659,321
Interim Fluid Management Trust	1,291,432	-	1,291,432
Hazardous Waste Management	17,772,693	4,421,123	13,351,570
Hazardous Waste - Beatty Site	11,384,157	919,199	10,464,958
Water Planning - Capital Improvement	178,181	20,085	158,096
	393,052,182	178,112,420	214,939,762
Special Purpose Agencies			
Department of Veterans' Services			
Department of Veterans' Services	3,151,704	3,028,134	123,570
Veterans' Home Account	21,977,422	16,366,113	5,611,309
Veterans' Gifts and Donations	327,353	68,197	259,156
Veterans' Home Donation	54,860	23,124	31,736
Gift Account for Veterans	1,549,919	634,086	915,833
Office of the Military			
Military	28,424,223	17,545,201	10,879,022
Military Emergency Operations Center	483,570	264,189	219,381
Military Carlin Armory	1,108,541	1,030,304	78,237
Adjutant General Special Facilities Account	25,765	403	25,362
National Guard Benefits	59,100	57,824	1,276
Patriot Relief Account	279,517	129,994	149,523
Silver State Health Insurance Exchange Admin	48,306,952	21,748,056	26,558,896
Deferred Compensation Committee	413,039	267,721	145,318
Civil Air Patrol	61,804	34,460	27,344
	106,223,769	61,197,806	45,025,963
Appropriated Transfers to Other Funds			
Legislative Fund	30,564,489	30,564,489	-
Attorney General Special Fund	622,415	622,415	-
Highway Fund	43,554	43,554	-
Millennium Scholarship Fund	7,000,000	7,000,000	-
Internal Service Funds	4,144,306	4,144,306	-
	42,374,764	42,374,764	-
Reversions to Other Funds			
Reversion to Highway Fund	-	127,194	(127,194)
Reversion to Workers' Comp and Safety Fund	-	352,225	(352,225)
Reversion to Consolidated Bond Interest and Redemption Fund	-	2,503	(2,503)
Reversion to Tourism Promotion Fund	-	69,873	(69,873)
Reversion to Internal Service Fund	-	29,000	(29,000)
	-	580,795	(580,795)
Projected Reversions			
	(40,000,000)	-	(40,000,000)
Total General Fund	\$ 8,336,091,980	\$ 7,455,465,907	\$ 880,626,073

Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis

All Special Revenue Fund Budgets



NEVADA

For the Fiscal Year Ended June 30, 2014

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	Final Budget	Actual	Variance
State Highway			
Finance and Administration			
Unbudgeted Activity	\$ -	\$ 960,394	\$ (960,394)
Appropriations to Other Funds	5,462,908	5,462,908	-
Infrastructure			
Transportation Administration	619,936,521	498,043,524	121,892,997
Bond Construction	100,026,125	5,927,852	94,098,273
Aviation Trust Fund	37,522	18,345	19,177
AB 595 Revenue Rental Car Tax	2,020	713	1,307
AB 595 Revenue Clark Co.	45,221,564	22,910,728	22,310,836
AB 595 Revenue Washoe Co.	4,010,000	3,637,302	372,698
NDOT - SB 5 RTC Public Road Project	19,480,349	9,471,061	10,009,288
System of Providing Information to the Traveling Public	484,668	287,002	197,666
Public Safety			
Director's Office - Public Safety	3,152,522	2,908,170	244,352
Professional Responsibility	600,468	565,898	34,570
Records Search	6,978,903	6,907,132	71,771
Highway Patrol	78,991,870	74,139,435	4,852,435
DMV Motor Vehicle Information Technology	10,980,351	9,039,876	1,940,475
Motor Carrier	4,710,007	3,782,148	927,859
PS Highway Safety Grants Account	3,096,766	1,563,993	1,532,773
Emergency Response Commission	2,786,442	1,240,333	1,546,109
Verification of Insurance	3,245,340	1,994,194	1,251,146
License Plate Factory	4,192,888	2,441,878	1,751,010
Hearings - DMV	1,223,157	1,118,365	104,792
Special Plates Trust Account	2,177,439	470,509	1,706,930
Salvage Titles Trust Account	310,116	152,897	157,219
DMV Field Services	44,571,137	39,203,169	5,367,968
Forfeitures	2,756	1,959	797
Compliance Enforcement	4,762,424	4,206,857	555,567
Central Services	10,630,157	9,771,520	858,637
Evidence Vault	542,322	531,793	10,529
Management Services	1,648,628	1,610,047	38,581
Admin Off Highway Vehicle Titling and Registration	668,965	313,278	355,687
Assistance of Off Highway Vehicle Titling	35,848	6,000	29,848
Director's Office - DMV	4,347,583	4,228,541	119,042
DMV Real ID	646,103	393,311	252,792
Administrative Services	12,267,370	11,853,863	413,507
Debt Service Transfers			
Debt Service	70,100,865	70,100,865	-
Projected Reversions	(130,302,875)	-	(130,302,875)
Total	937,029,229	795,265,860	141,763,369
Municipal Bond Bank			
Elected Officials			
Municipal Bond Bank Revenue	16,328,629	15,840,391	488,238
Total	16,328,629	15,840,391	488,238
Employment Security			
Human Services			
Employment Security	131,808,433	111,911,885	19,896,548
Employment Security Special Fund	17,444,203	4,651,505	12,792,698
Total	149,252,636	116,563,390	32,689,246
Unemployment Comp Bond Fund			
Elected Officials			
Unemployment Comp Bond Account	59,501,000	57,988,288	1,512,712
Total	59,501,000	57,988,288	1,512,712

Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis

All Special Revenue Fund Budgets

For the Fiscal Year Ended June 30, 2014

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	Final Budget	Actual	Variance
Regulatory			
Commerce and Industry			
Manufactured Housing	\$ 1,615,642	\$ 870,100	\$ 745,542
Real Estate Education and Research	1,565,768	578,285	987,483
Real Estate Recovery	506,000	189,922	316,078
Mobile Home Parks	369,677	168,837	200,840
Mfg Housing-Education/Recovery	299,856	63,607	236,249
Regulatory Fund	14,273,384	11,001,112	3,272,272
Administrative Fines	741,955	741,955	-
Taxicab Authority	11,280,521	6,711,039	4,569,482
Dairy Commission	1,839,370	1,287,158	552,212
Total	32,492,173	21,612,015	10,880,158
Higher Education Capital Construction			
Finance and Administration			
Higher Education Capital Construction	5,000,000	5,000,000	-
Higher Education Special Construction	9,187,700	9,187,700	-
Total	14,187,700	14,187,700	-
Cleaning Up Petroleum Discharges			
Infrastructure			
Petroleum Clean-Up Trust Fund	21,785,636	13,378,080	8,407,556
Total	21,785,636	13,378,080	8,407,556
Hospital Care to Indigent Persons			
Finance and Administration			
Supplemental Fund - Indigents	19,042,539	13,471,236	5,571,303
Total	19,042,539	13,471,236	5,571,303
Tourism Promotion			
Commerce and Industry			
Tourism Development	132,069	12,000	120,069
Commission on Tourism	23,672,646	19,319,912	4,352,734
Total	23,804,715	19,331,912	4,472,803
Offenders' Store			
Public Safety			
Offenders' Store Fund	17,778,074	13,356,780	4,421,294
Inmate Welfare Account	5,230,901	3,345,691	1,885,210
Total	23,008,975	16,702,471	6,306,504
Tobacco Settlement			
Elected Officials			
Millennium Scholarship Fund	57,135,581	23,832,685	33,302,896
Millennium Scholarship Administration	373,780	337,474	36,306
Guinn Memorial Millennium Scholarship Fund	449,683	9,000	440,683
Trust Fund for Healthy Nevada	70,145,642	25,639,839	44,505,803
MSA Compliance Administration	973,008	782,599	190,409
Human Services			
Tobacco Settlement Program	5,425,417	5,177,900	247,517
Senior RX and Disability RX	4,858,174	3,430,118	1,428,056
Healthy Nevada Fund Administration	9,026,212	-	9,026,212
Total	148,387,497	59,209,615	89,177,882
Attorney General Settlement			
Public Safety			
National Settlement Administration	84,860,704	54,412,031	30,448,673
Total	84,860,704	54,412,031	30,448,673
Gift			
Education			
Education Gift Fund	28,345	2,534	25,811
Library and Archives Gift Fund	540,555	3,049	537,506



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	Final Budget	Actual	Variance
Human Services			
Rural Services Gift Account	\$ 12,793	\$ -	\$ 12,793
SNAMHS Gift Fund	29,156	-	29,156
Health Division Gifts	39,210	2,350	36,860
Aging Services Gift	54,138	150	53,988
CBS Washoe Gift Fund	23,033	21	23,012
Indian Commission Gift Acct	43,300	6,069	37,231
Hospital Gift Fund	233,148	-	233,148
SRC Gift Fund	9,791	-	9,791
NV Equal Rights Commission Gift Fund	9,403	-	9,403
Blind Gift Fund	371,166	1,470	369,696
Welfare Gift Fund	9,887	-	9,887
Rehabilitation Gift Fund	25,769	494	25,275
Henry Woods Christmas Fund	373	-	373
Nevada Children's Gift Account	597,607	33,000	564,607
CYC Gift Fund	3,450	554	2,896
Youth Training Center Gift Fund	39,954	5,000	34,954
DRC Gift Fund	8,663	-	8,663
Infrastructure			
Wildlife Trust Account	548,405	128,012	420,393
Park Gift and Grants	298,172	74,785	223,387
Total	2,926,318	257,488	2,668,830
Natural Resources			
Infrastructure			
Grants To Water Purveyors	421,630	294,010	127,620
Erosion Control Bond Q12	685,501	35,799	649,702
Protect Lake Tahoe	19,858,903	4,946,859	14,912,044
Total	20,966,034	5,276,668	15,689,366
Miscellaneous			
Elected Officials			
Racketeering-Prosecution Account	125	-	125
Consumer Advocate	5,383,013	3,483,513	1,899,500
Unfair Trade Practices	750,000	149,354	600,646
Commerce and Industry			
Lot Rent Trust Subsidy	559,577	385,864	173,713
Museums and History Board Trust	25,437	25,204	233
Museums Administrator Trust	41,279	19,720	21,559
Nevada Historical Society Trust	270,032	103,630	166,402
Nevada State Museum Trust	676,169	378,137	298,032
Nevada Railroad Museum Trust	403,726	192,315	211,411
Lost City Museum Trust	128,050	95,422	32,628
LV Museum and Historical Society Trust	184,362	127,437	56,925
Human Services			
Radioactive Material Disposal	1,084,803	8,075	1,076,728
Finance and Administration			
Victims of Crime	16,680,169	8,363,197	8,316,972
Total	26,186,742	13,331,868	12,854,874
Legislative (Non-GAAP Fund)			
Legislative Branch			
Nevada Legislative Interim	633,315	623,696	9,619
Legislative Counsel Bureau	40,970,966	32,979,975	7,990,991
Audit Contingency Account	364,499	352,733	11,766
Total	41,968,780	33,956,404	8,012,376
Total Special Revenue Funds	\$ 1,621,729,307	\$ 1,250,785,417	\$ 370,943,890

Schedule of Sources - Budget and Actual, Non-GAAP Budgetary Basis

All Nonmajor Special Revenue Fund Budgets

For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Employment Security			Unemployment Compensation Bond		
Fund balances, July 1	\$ 14,043,657	\$ 14,043,657	\$ -	\$ -	\$ -	\$ -
Revenues:						
Federal	100,172,586	81,406,425	(18,766,161)	-	-	-
Other taxes	-	-	-	59,500,000	57,969,434	(1,530,566)
Sales and charges for services	1,038,151	756,238	(281,913)	-	-	-
Licenses, fees and permits	340,000	311,712	(28,288)	-	-	-
Interest	17,433	64,045	46,612	1,000	18,854	17,854
Other	30,475,154	31,856,186	1,381,032	-	-	-
Other financing sources:						
Transfer from other funds	3,165,655	1,324,299	(1,841,356)	-	-	-
Total sources	\$ 149,252,636	\$ 129,762,562	\$ (19,490,074)	\$ 59,501,000	\$ 57,988,288	\$ (1,512,712)
	Regulatory			Higher Education Capital Construction		
Fund balances, July 1	\$ 10,666,518	\$ 10,666,518	\$ -	\$ -	\$ -	\$ -
Revenues:						
Gaming taxes, fees, licenses	-	-	-	13,863,433	13,863,433	-
Federal	568,955	568,955	-	-	-	-
Other taxes	11,858,322	11,767,870	(90,452)	-	-	-
Sales, charges for services	5,643,334	5,481,176	(162,158)	-	-	-
Licenses, fees and permits	2,215,321	2,137,228	(78,093)	-	-	-
Interest	18,773	21,842	3,069	-	-	-
Other	1,122,448	1,050,935	(71,513)	-	-	-
Other financing sources:						
Transfer from other funds	398,502	395,399	(3,103)	-	-	-
Total sources	\$ 32,492,173	\$ 32,089,923	\$ (402,250)	\$ 13,863,433	\$ 13,863,433	\$ -
	Cleaning Up Petroleum Discharges			Hospital Care to Indigent Persons		
Fund balances, July 1	\$ 7,535,636	\$ 7,535,636	\$ -	\$ 535,423	\$ 535,423	\$ -
Revenues:						
Other taxes	13,500,000	12,905,650	(594,350)	18,361,524	11,627,930	(6,733,594)
Intergovernmental	-	-	-	-	1,270,803	1,270,803
Licenses, fees and permits	550,000	418,312	(131,688)	-	-	-
Interest	100,000	30,488	(69,512)	31,592	28,080	(3,512)
Other	100,000	-	(100,000)	114,000	9,000	(105,000)
Total sources	\$ 21,785,636	\$ 20,890,086	\$ (895,550)	\$ 19,042,539	\$ 13,471,236	\$ (5,571,303)
	Tourism Promotion			Offenders' Store		
Fund balances, July 1	\$ 4,359,334	\$ 4,359,334	\$ -	\$ 3,398,462	\$ 3,398,462	\$ -
Revenues:						
Other taxes	19,326,605	19,279,041	(47,564)	-	-	-
Sales, charges for services	-	-	-	15,034,718	15,041,024	6,306
Licenses, fees and permits	11,420	11,420	-	-	-	-
Interest	-	-	-	20,749	23,612	2,863
Other	7,356	6,520	(836)	414,032	386,591	(27,441)
Other financing sources:						
Transfer from other funds	100,000	169,873	69,873	4,141,014	2,656,630	(1,484,384)
Total sources	\$ 23,804,715	\$ 23,826,188	\$ 21,473	\$ 23,008,975	\$ 21,506,319	\$ (1,502,656)



NEVADA

(Continued)

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Tobacco Settlement			Attorney General Settlement		
Fund balances, July 1	\$ 65,514,669	\$ 65,514,669	\$ -	\$ 84,667,248	\$ 84,667,248	\$ -
Revenues:						
Interest	2,500	115,924	113,424	151,845	151,845	-
Other	48,352,698	40,167,464	(8,185,234)	41,611	7,315	(34,296)
Other financing sources:						
Transfer from other funds	34,517,630	23,559,026	(10,958,604)	-	-	-
Total sources	<u>\$ 148,387,497</u>	<u>\$ 129,357,083</u>	<u>\$ (19,030,414)</u>	<u>\$ 84,860,704</u>	<u>\$ 84,826,408</u>	<u>\$ (34,296)</u>
	Gift			Natural Resources		
Fund balances, July 1	\$ 1,956,805	\$ 1,956,805	\$ -	\$ 18,699,866	\$ 18,699,866	\$ -
Revenues:						
Federal	-	-	-	594,341	7,797	(586,544)
Interest	22,206	6,641	(15,565)	158,735	37,350	(121,385)
Other	943,811	645,221	(298,590)	1,000	346	(654)
Other financing sources:						
Proceeds from sale of bonds	-	-	-	1,502,092	1,502,091	(1)
Transfer from other funds	3,496	5,770	2,274	10,000	10,000	-
Total sources	<u>\$ 2,926,318</u>	<u>\$ 2,614,437</u>	<u>\$ (311,881)</u>	<u>\$ 20,966,034</u>	<u>\$ 20,257,450</u>	<u>\$ (708,584)</u>
	Miscellaneous			Legislative (Non-GAAP Fund)		
Fund balances, July 1	\$ 10,961,813	\$ 10,961,813	\$ -	\$ 9,667,466	\$ 9,667,466	\$ -
Revenues:						
Federal	3,289,125	2,155,962	(1,133,163)	-	-	-
Other taxes	2,948,933	2,948,933	-	-	-	-
Sales, charges for services	720,364	636,041	(84,323)	1,106,500	885,115	(221,385)
Licenses, fees and permits	5,276,811	4,888,542	(388,269)	-	-	-
Interest	15,822	22,841	7,019	-	-	-
Other	2,351,459	2,005,796	(345,663)	193,770	341,046	147,276
Other financing sources:						
Transfer from other funds	622,415	622,415	-	30,569,489	30,989,245	419,756
Total sources	<u>\$ 26,186,742</u>	<u>\$ 24,242,343</u>	<u>\$ (1,944,399)</u>	<u>\$ 41,537,225</u>	<u>\$ 41,882,872</u>	<u>\$ 345,647</u>
	Total Nonmajor Special Revenue Funds					
Fund balances, July 1	\$ 232,006,897	\$ 232,006,897	\$ -			
Revenues:						
Gaming taxes, fees, licenses	13,863,433	13,863,433	-			
Federal	104,625,007	84,139,139	(20,485,868)			
Other taxes	125,495,384	116,498,858	(8,996,526)			
Sales, charges for services	23,543,067	22,799,594	(743,473)			
Intergovernmental	-	1,270,803	1,270,803			
Licenses, fees and permits	8,393,552	7,767,214	(626,338)			
Interest	540,655	521,522	(19,133)			
Other	84,117,339	76,476,420	(7,640,919)			
Other financing sources:						
Proceeds from sale of bonds	1,502,092	1,502,091	(1)			
Transfer from other funds	73,528,201	59,732,657	(13,795,544)			
Total sources	<u>\$ 667,615,627</u>	<u>\$ 616,578,628</u>	<u>\$ (51,036,999)</u>			

The NVI50 balloon took to the skies at the
Great Reno Balloon Race.



NONMAJOR ENTERPRISE FUNDS

Workers' Compensation and Safety Records assessments on insurers for compensation of injured workers and administration of regulations for employee safety (NRS 616A.425), assesses self-insurers to pay claims against insolvent self-insured employers (NRS 616B.309), accounts for compensation benefits to physically impaired employees from a subsequent injury in the course of employment (NRS 616B.554, 616B.575, 616B.584), and accounts for injury claims of employees of uninsured employers (NRS 616A.430).

Insurance Administration and Enforcement Accounts for activities related to the administration and enforcement of the Nevada Insurance Code and other laws and regulations enforced by the Department of Business and Industry Division of Insurance (NRS 680C.100).

Gaming Investigative Accounts for activities related to investigations of gaming license applicants (NRS 463.331).

Forestry Nurseries Accounts for the self-supporting operation of State nurseries, which propagate, maintain and distribute plants for conservation purposes (NRS 528.100).

Prison Industry Accounts for a self-supporting program of job training through the employment of inmates in farming and manufacturing (NRS 209.189).

Nevada Magazine Accounts for the operation of the publication, Nevada Magazine, which is published to promote tourism (NRS 231.290).

Marlette Lake Water System Accounts for the costs of operating the State-owned Marlette Lake Water System. The system serves the State Buildings and Grounds Division and portions of Carson City and Storey County (NRS 331.180).

Combining Statement of Net Position Nonmajor Enterprise Funds

June 30, 2014

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative	Forestry Nurseries
Assets				
Current assets:				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 44,123,775	\$ 5,872,539	\$ 11,753,551	\$ 276,401
Cash in custody of other officials	250	-	212,831	100
<i>Receivables:</i>				
Accounts receivable	6,483,143	82,573	135,875	17,538
Assessments receivable	-	225	-	-
Intergovernmental receivables	-	-	-	-
Due from other funds	676,362	44,323	399	85,514
Due from fiduciary funds	-	-	-	-
Inventory	-	-	-	187,653
Prepaid items	136,297	56,604	24,161	2,979
Total current assets	51,419,827	6,056,264	12,126,817	570,185
Noncurrent assets:				
<i>Receivables:</i>				
Other assets	-	-	-	-
<i>Capital assets:</i>				
Land	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Furniture and equipment	2,410,761	220,621	163,726	78,561
Construction in progress	-	-	-	-
Less accumulated depreciation	(2,159,372)	(146,687)	(163,726)	(78,561)
Total noncurrent assets	251,389	73,934	-	-
Total assets	51,671,216	6,130,198	12,126,817	570,185
Deferred Outflows of Resources				
Deferred charge on refunding	-	-	-	-
Total deferred outflows of resources	-	-	-	-
Liabilities				
Current liabilities:				
<i>Accounts payable and accruals:</i>				
Accounts payable	12,211,096	268,525	61,821	13,562
Accrued payroll and related liabilities	822,924	323,022	-	8,660
Interest payable	-	-	-	-
Intergovernmental payables	20,804	-	192	-
Due to other funds	69,518	41,278	2,386,127	21,865
Due to fiduciary funds	8,284	-	-	483
Due to component units	200	-	-	-
Unearned revenues	-	-	9,426,677	-
Other liabilities	-	-	-	-
<i>Short-term portion of long-term liabilities:</i>				
Compensated absences	739,468	268,379	-	3,943
Bonds payable	-	-	-	-
Total current liabilities	13,872,294	901,204	11,874,817	48,513
Noncurrent liabilities:				
Advances from general fund	-	-	-	248,040
Compensated absences	432,649	115,483	-	997
Bonds payable	-	-	-	-
Total noncurrent liabilities	432,649	115,483	-	249,037
Total liabilities	14,304,943	1,016,687	11,874,817	297,550
Net Position				
Net investment in capital assets	251,389	73,934	-	-
Restricted for workers' compensation	37,114,884	-	-	-
Restricted for regulation of business	-	-	2,000	-
Unrestricted	-	5,039,577	250,000	272,635
Total net position	\$ 37,366,273	\$ 5,113,511	\$ 252,000	\$ 272,635



NEVADA

Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
\$ 1,983,627	\$ 143,068	\$ 1,092,176	\$ 65,245,137
100	-	-	213,281
558,005	97,315	-	7,374,449
-	-	-	225
197,566	-	78,550	276,116
177,711	14,677	356	999,342
15,241	-	-	15,241
1,180,534	52,134	-	1,420,321
14,896	14,932	1,490	251,359
4,127,680	322,126	1,172,572	75,795,471
15,000	-	-	15,000
153,140	-	414,672	567,812
2,890,227	-	498,613	3,388,840
-	-	630,647	630,647
973,332	-	1,464,725	5,311,726
-	-	10,283,035	10,283,035
(3,297,965)	-	(2,474,581)	(8,320,892)
733,734	-	10,817,111	11,876,168
4,861,414	322,126	11,989,683	87,671,639
-	-	77,771	77,771
-	-	77,771	77,771
122,169	46,606	7,094	12,730,873
84,486	30,987	9,272	1,279,351
-	-	43,322	43,322
30	-	4,320	25,346
33,514	4,714	959	2,557,975
90,734	-	-	99,501
-	-	-	200
110,711	162,712	-	9,700,100
10,000	-	2,050	12,050
101,995	14,214	11,649	1,139,648
-	-	213,599	213,599
553,639	259,233	292,265	27,801,965
-	-	-	248,040
98,178	3,595	6,419	657,321
-	-	8,672,281	8,672,281
98,178	3,595	8,678,700	9,577,642
651,817	262,828	8,970,965	37,379,607
718,734	-	1,931,231	2,975,288
-	-	-	37,114,884
-	-	-	2,000
3,490,863	59,298	1,165,258	10,277,631
\$ 4,209,597	\$ 59,298	\$ 3,096,489	\$ 50,369,803

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2014

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative	Forestry Nurseries
Operating Revenues				
Sales	\$ -	\$ -	\$ -	\$ 719,135
Assessments	-	251,814	-	-
Charges for services	-	8,284	14,212,675	-
Rental income	-	-	-	-
Licenses, fees and permits	36,439,026	10,181,635	-	-
Fines	3,565,832	65,875	-	-
Other	660,505	-	-	13,424
Total operating revenues	40,665,363	10,507,608	14,212,675	732,559
Operating Expenses				
Salaries and benefits	14,957,027	5,693,946	11,537,248	90,591
Operating	5,563,822	4,827,305	1,492,215	60,826
Claims and benefits expense	6,231,281	-	-	-
Materials or supplies used	-	-	-	522,658
Depreciation	142,142	59,119	664	-
Total operating expenses	26,894,272	10,580,370	13,030,127	674,075
Operating income (loss)	13,771,091	(72,762)	1,182,548	58,484
Nonoperating Revenues (Expenses)				
Interest and investment income	176,938	20,814	-	-
Interest expense	(83)	-	-	-
Bond issuance costs	-	-	-	-
Federal grants	2,386,730	898,476	-	-
Gain (loss) on disposal/sale of assets	5,778	-	-	-
Total nonoperating revenues (expenses)	2,569,363	919,290	-	-
Income (loss) before special items and transfers	16,340,454	846,528	1,182,548	58,484
Special Items and Transfers				
Special item - settlement	-	330,000	-	-
Transfers in	-	13,720	-	-
Transfers out	(10,380,280)	(786,888)	(1,183,212)	-
Change in net position	5,960,174	403,360	(664)	58,484
Net position, July 1	31,406,099	4,710,151	252,664	214,151
Net position, June 30	\$ 37,366,273	\$ 5,113,511	\$ 252,000	\$ 272,635



NEVADA

Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
\$ 4,193,832	\$ 1,010,137	\$ 910,063	\$ 6,833,167
-	-	-	251,814
525,565	-	-	14,746,524
83,159	-	-	83,159
-	-	-	46,620,661
-	-	-	3,631,707
127,243	13,698	145,157	960,027
4,929,799	1,023,835	1,055,220	73,127,059
1,517,683	558,098	168,990	34,523,583
2,647,164	162,988	195,736	14,950,056
-	-	-	6,231,281
2,486,715	325,284	-	3,334,657
114,735	-	76,266	392,926
6,766,297	1,046,370	440,992	59,432,503
(1,836,498)	(22,535)	614,228	13,694,556
5,589	-	-	203,341
(285)	-	(350,509)	(350,877)
-	-	(141,054)	(141,054)
1,989,463	-	-	5,274,669
-	-	-	5,778
1,994,767	-	(491,563)	4,991,857
158,269	(22,535)	122,665	18,686,413
-	-	-	330,000
-	-	-	13,720
(32,167)	-	-	(12,382,547)
126,102	(22,535)	122,665	6,647,586
4,083,495	81,833	2,973,824	43,722,217
\$ 4,209,597	\$ 59,298	\$ 3,096,489	\$ 50,369,803

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2014

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative
Cash flows from operating activities			
Receipts from customers and users	\$ 46,834,670	\$ 9,543,292	\$ 11,627,059
Receipts for interfund services provided	65,888	1,031,621	-
Payments to suppliers, other governments and beneficiaries	(9,143,732)	(2,518,899)	(1,415,060)
Payments to employees	(14,896,499)	(5,680,748)	(10,337,248)
Payments for interfund services used	(3,174,360)	(2,234,380)	(34,279)
Payments to component units	(703)	-	-
Net cash provided by (used for) operating activities	19,685,264	140,886	(159,528)
Cash flows from noncapital financing activities			
Grant receipts	3,199,352	963,797	-
Transfers and advances from other funds	-	13,720	-
Settlement receipts	-	330,000	-
Transfers and advances to other funds	(10,034,567)	(786,888)	(1,602,245)
Net cash provided by (used for) noncapital financing activities	(6,835,215)	520,629	(1,602,245)
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	13,673	-	-
Purchase of capital assets	(33,267)	(5,655)	-
Principal paid on capital debt	-	-	-
Interest paid on capital debt	-	-	-
Payments on construction projects	-	-	-
Net cash provided by (used for) capital and related financing activities	(19,594)	(5,655)	-
Cash flows from investing activities			
Interest, dividends and gains (losses)	114,785	19,414	-
Net cash provided by (used for) investing activities	114,785	19,414	-
Net increase (decrease) in cash	12,945,240	675,274	(1,761,773)
Cash and cash equivalents, July 1	31,178,785	5,197,265	13,728,155
Cash and cash equivalents, June 30	\$ 44,124,025	\$ 5,872,539	\$ 11,966,382
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ 13,771,091	\$ (72,762)	\$ 1,182,548
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	142,142	59,119	664
Decrease (increase) in accrued interest and receivables	(5,513,476)	67,305	1,923
Decrease (increase) in inventory, deferred charges, other assets	(136,297)	(56,604)	(7,760)
Increase (decrease) in accounts payable, accruals, other liabilities	11,421,804	143,828	(1,336,903)
Total adjustments	5,914,173	213,648	(1,342,076)
Net cash provided by (used for) operating activities	\$ 19,685,264	\$ 140,886	\$ (159,528)

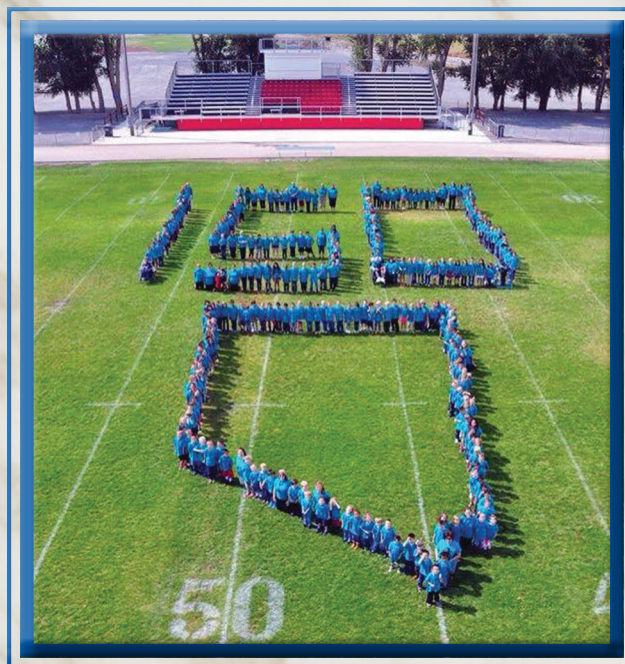


NEVADA

Forestry Nurseries	Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
\$ 200,267	\$ 3,422,626	\$ 762,310	\$ 1,155,680	\$ 73,545,904
493,811	1,615,182	266,022	-	3,472,524
(526,394)	(2,874,555)	(493,120)	(107,442)	(17,079,202)
(83,929)	(1,496,067)	(561,415)	(168,316)	(33,224,222)
(20,330)	(2,211,231)	(46,181)	(78,617)	(7,799,378)
-	(35,325)	-	(6,123)	(42,151)
63,425	(1,579,370)	(72,384)	795,182	18,873,475
-	1,978,257	-	-	6,141,406
-	-	-	-	13,720
-	-	-	-	330,000
-	(32,167)	-	-	(12,455,867)
-	1,946,090	-	-	(5,970,741)
-	4,172	-	-	17,845
-	(30,900)	-	(45,453)	(115,275)
(20,670)	-	-	(155,000)	(175,670)
-	-	-	(422,896)	(422,896)
-	-	-	(94,561)	(94,561)
(20,670)	(26,728)	-	(717,910)	(790,557)
-	2,410	-	-	136,609
-	2,410	-	-	136,609
42,755	342,402	(72,384)	77,272	12,248,786
233,746	1,641,325	215,452	1,014,904	53,209,632
\$ 276,501	\$ 1,983,727	\$ 143,068	\$ 1,092,176	\$ 65,458,418
\$ 58,484	\$ (1,836,498)	\$ (22,535)	\$ 614,228	\$ 13,694,556
-	114,735	-	76,266	392,926
(38,481)	239,141	466	100,460	(5,142,662)
23,099	46,860	(53,153)	(1,490)	(185,345)
20,323	(143,608)	2,838	5,718	10,114,000
4,941	257,128	(49,849)	180,954	5,178,919
\$ 63,425	\$ (1,579,370)	\$ (72,384)	\$ 795,182	\$ 18,873,475



The Outside Las Vegas Foundation, in partnership with the City of North Las Vegas, proudly presents "Get Outdoors Nevada Day."



Here the students of Lovelock Elementary School are celebrating Nevada's Sesquicentennial.

INTERNAL SERVICE FUNDS

Self-Insurance Accounts for self-insured group life, accident and health insurance plans for State and other government employees (NRS 287.0435).

Buildings and Grounds Accounts for the maintenance, housekeeping and security of most State buildings (NRS 331.101).

Fleet Services Accounts for the operations of the State vehicle fleet (NRS 336.110).

Communications Accounts for the operation of mail services for State agencies in Carson City, Reno, Las Vegas and Elko (NRS 378.143).

Insurance Premiums Allocates the costs of fidelity insurance, property insurance and workers' compensation insurance to State agencies (NRS 331.187).

Administrative Services Provides administrative and accounting services to various divisions of the Department of Administration (NRS 232.219).

Personnel Accounts for the costs of administering the State personnel system. Operations are financed by assessments charged to user agencies (NRS 284.110).

Purchasing Provides purchasing services to State agencies and other governmental units. The operation is financed by an administrative charge on purchase orders and warehouse orders (NRS 333.120).

Information Services Accounts for designing, programming, and maintaining data processing software and also operating the State's central computer facility, radio communication and telecommunication systems (NRS 242.211).

Printing Accounts for the operation of the State printing facilities (NRS 344.090).

Combining Statement of Net Position Internal Service Funds

June 30, 2014

	Self-Insurance	Buildings and Grounds	Fleet Services	Communications
Assets				
Current assets:				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 179,842,777	\$ 4,528,939	\$ 908,698	\$ 404,315
<i>Receivables:</i>				
Accounts receivable	660,763	18,163	105	-
Intergovernmental receivables	551,002	-	1,366	524
Notes receivable	-	-	-	-
Due from other funds	552,776	626,578	412,638	637,014
Due from fiduciary funds	2,997,009	-	-	76
Due from component units	12,172	-	11,746	755
Inventory	-	-	-	-
Prepaid items	22,344	58,094	9,682	13,406
Total current assets	184,638,843	5,231,774	1,344,235	1,056,090
Noncurrent assets:				
Notes receivable	-	-	-	-
Other assets	-	-	-	-
<i>Capital assets:</i>				
Land	-	20,400	901,783	-
Buildings	-	2,268,068	2,476,962	-
Improvements other than buildings	-	291,216	-	422,451
Furniture and equipment	362,879	711,736	16,259,378	1,071,169
Software costs	-	-	-	-
Less accumulated depreciation/amortization	(311,124)	(2,167,697)	(13,014,697)	(1,168,277)
Total noncurrent assets	51,755	1,123,723	6,623,426	325,343
Total assets	184,690,598	6,355,497	7,967,661	1,381,433
Liabilities				
Current liabilities:				
<i>Accounts payable and accruals:</i>				
Accounts payable	4,468,856	974,596	104,792	16,909
Accrued payroll and related liabilities	110,884	304,315	43,467	46,072
Intergovernmental payables	-	58,972	359	-
Bank overdraft	4,099,293	-	-	-
Due to other funds	27,030	93,568	268,042	22,154
Due to fiduciary funds	-	7,133	471	-
Due to component units	-	-	-	-
Unearned revenues	13,940,514	-	-	-
<i>Short-term portion of long-term liabilities:</i>				
Reserve for losses	47,154,255	-	-	-
Compensated absences	123,558	306,521	37,815	57,910
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
Total current liabilities	69,924,390	1,745,105	454,946	143,045
Noncurrent liabilities:				
<i>Advances:</i>				
Advances from general fund	-	-	2,437,500	-
Advances from debt service fund	-	-	-	-
Reserve for losses	-	-	-	-
Compensated absences	83,664	156,432	43,830	48,887
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
Total noncurrent liabilities	83,664	156,432	2,481,330	48,887
Net Position	70,008,054	1,901,537	2,936,276	191,932
Net Position				
Net investment in capital assets	51,755	1,123,723	6,623,426	325,343
Unrestricted (deficit)	114,630,789	3,330,237	(1,592,041)	864,158
Total net position	\$ 114,682,544	\$ 4,453,960	\$ 5,031,385	\$ 1,189,501



NEVADA

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
\$ 10,629,132	\$ 552,799	\$ 1,863,909	\$ 465,878	\$ 4,630,344	\$ 1,171,742	\$ 204,998,533
113,591	-	-	917	70,611	64,436	928,586
-	-	-	-	98,123	-	651,015
5,000	-	-	-	-	-	5,000
1,106,525	-	11,214	11,315	2,357,448	73,336	5,788,844
-	-	-	-	-	-	2,997,085
-	-	138,719	-	14,841	-	178,233
-	-	-	-	-	262,859	262,859
193,370	23,833	60,496	17,875	119,912	11,917	530,929
12,047,618	576,632	2,074,338	495,985	7,291,279	1,584,290	216,341,084
85,000	-	-	-	-	-	85,000
-	-	-	-	2,565	-	2,565
-	-	-	95,554	15,000	-	1,032,737
-	-	-	140,000	14,762,838	744,617	20,392,485
-	-	-	-	-	3,125,954	3,839,621
36,877	59,699	256,710	152,380	28,937,598	4,064,313	51,912,739
-	-	15,323,810	-	-	-	15,323,810
(32,048)	(58,505)	(15,550,339)	(292,064)	(29,541,927)	(4,923,151)	(67,059,829)
89,829	1,194	30,181	95,870	14,176,074	3,011,733	25,529,128
12,137,447	577,826	2,104,519	591,855	21,467,353	4,596,023	241,870,212
811,976	4,454	79,793	3,194	542,095	205,468	7,212,133
38,271	118,971	261,746	130,027	765,456	58,329	1,877,538
-	-	-	-	15,726	-	75,057
-	-	-	-	-	-	4,099,293
19,037	12,007	655,408	96,907	312,270	2,688	1,509,111
-	-	-	-	-	5,575	13,179
14,772	-	7,683	-	10,387	-	32,842
-	-	-	-	2,942	-	13,943,456
16,920,013	-	-	-	-	-	64,074,268
33,424	113,953	273,358	115,046	792,771	58,182	1,912,538
-	-	-	-	513,323	-	513,323
-	-	-	-	507,121	-	507,121
17,837,493	249,385	1,277,988	345,174	3,462,091	330,242	95,769,859
-	-	-	-	489,449	-	2,926,949
-	-	-	-	903,819	-	903,819
48,457,633	-	-	-	-	-	48,457,633
19,128	56,636	221,216	101,722	602,658	69,073	1,403,246
-	-	-	-	5,249,572	-	5,249,572
-	-	-	-	1,338,626	-	1,338,626
48,476,761	56,636	221,216	101,722	8,584,124	69,073	60,279,845
66,314,254	306,021	1,499,204	446,896	12,046,215	399,315	156,049,704
4,829	1,194	30,181	95,870	6,698,710	3,011,733	17,966,764
(54,181,636)	270,611	575,134	49,089	2,722,428	1,184,975	67,853,744
\$ (54,176,807)	\$ 271,805	\$ 605,315	\$ 144,959	\$ 9,421,138	\$ 4,196,708	\$ 85,820,508

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

For the Fiscal Year Ended June 30, 2014

	Self-Insurance	Buildings and Grounds	Fleet Services	Communications
Operating Revenues				
Net premium income	\$ 336,198,780	\$ -	\$ -	\$ -
Sales	-	-	-	-
Charges for services	-	1,225,167	59,608	6,449,516
Rental income	-	14,744,482	4,428,697	-
Other	85,604	56,305	-	-
Total operating revenues	336,284,384	16,025,954	4,488,305	6,449,516
Operating Expenses				
Salaries and benefits	2,149,080	5,436,713	781,218	1,007,486
Operating	4,093,911	10,338,224	2,289,561	5,334,151
Claims expense	188,296,196	-	-	-
Materials or supplies used	-	-	313,302	-
Depreciation	28,369	119,319	1,013,294	64,820
Insurance premiums	123,404,245	-	-	-
Total operating expenses	317,971,801	15,894,256	4,397,375	6,406,457
Operating income (loss)	18,312,583	131,698	90,930	43,059
Nonoperating Revenues (Expenses)				
Interest and investment income	1,042,260	-	-	-
Interest expense	-	-	-	-
Gain (loss) on disposal of assets	-	400	67,782	-
Total nonoperating revenues (expenses)	1,042,260	400	67,782	-
Income (loss) before transfers	19,354,843	132,098	158,712	43,059
Transfers				
Transfers in	-	77,910	2,126,623	-
Transfers out	-	-	(29,764)	-
Change in net position	19,354,843	210,008	2,255,571	43,059
Net position, July 1	95,327,701	4,243,952	2,775,814	1,146,442
Net position, June 30	\$ 114,682,544	\$ 4,453,960	\$ 5,031,385	\$ 1,189,501



NEVADA

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
\$ 22,572,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 358,771,137
-	-	-	-	-	2,173,236	2,173,236
-	2,469,094	7,837,522	2,649,953	25,195,738	-	45,886,598
-	-	-	-	360,797	-	19,533,976
155,601	-	36,685	1,325	433	26,206	362,159
22,727,958	2,469,094	7,874,207	2,651,278	25,556,968	2,199,442	426,727,106
673,596	2,110,259	4,888,081	1,907,265	14,825,661	1,317,786	35,097,145
1,921,031	345,818	2,940,421	686,453	7,078,670	598,047	35,626,287
13,070,337	-	-	-	-	-	201,366,533
-	-	-	-	-	529,868	843,170
800	1,140	21,103	2,421	1,365,329	272,599	2,889,194
5,055,555	-	-	-	-	-	128,459,800
20,721,319	2,457,217	7,849,605	2,596,139	23,269,660	2,718,300	404,282,129
2,006,639	11,877	24,602	55,139	2,287,308	(518,858)	22,444,977
467	-	-	-	-	-	1,042,727
-	-	-	-	(8,582)	-	(8,582)
-	-	-	-	-	-	68,182
467	-	-	-	(8,582)	-	1,102,327
2,007,106	11,877	24,602	55,139	2,278,726	(518,858)	23,547,304
-	-	-	-	127,264	151,482	2,483,279
(50,000)	-	-	-	-	-	(79,764)
1,957,106	11,877	24,602	55,139	2,405,990	(367,376)	25,950,819
(56,133,913)	259,928	580,713	89,820	7,015,148	4,564,084	59,869,689
\$ (54,176,807)	\$ 271,805	\$ 605,315	\$ 144,959	\$ 9,421,138	\$ 4,196,708	\$ 85,820,508

Combining Statement of Cash Flows Internal Service Funds

For the Fiscal Year Ended June 30, 2014

	Self- Insurance	Buildings and Grounds	Motor Pool	Communications
Cash flows from operating activities				
Receipts from customers and users	\$ 52,614,621	\$ 54,889	\$ 30,179	\$ 32,298
Receipts for interfund services provided	200,903,180	15,799,347	4,288,253	6,386,731
Receipts from component units	75,374,655	-	84,720	5,477
Receipts of principal on loans and notes	-	-	-	-
Payments to suppliers, other governments and beneficiaries	(315,452,795)	(8,542,062)	(1,960,332)	(5,267,960)
Payments to employees	(2,168,164)	(5,580,634)	(771,186)	(998,723)
Payments for interfund services used	(1,114,666)	(1,763,998)	(864,322)	(268,348)
Payments to component units	-	(144)	-	-
Net cash provided by (used for) operating activities	10,156,831	(32,602)	807,312	(110,525)
Cash flows from noncapital financing activities				
Transfers and advances from other funds	-	-	4,770,937	-
Transfers and advances to other funds	-	-	(29,764)	-
Net cash provided by (used for) noncapital financing activities	-	-	4,741,173	-
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	400	93,122	-
Purchase of capital assets	(12,355)	(67,686)	(5,440,135)	(10,200)
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(12,355)	(67,286)	(5,347,013)	(10,200)
Cash flows from investing activities				
Interest, dividends and gains (losses)	948,277	-	-	-
Net cash provided by (used for) investing activities	948,277	-	-	-
Net increase (decrease) in cash	11,092,753	(99,888)	201,472	(120,725)
Cash and cash equivalents, July 1	168,750,024	4,628,827	707,226	525,040
Cash and cash equivalents, June 30	\$ 179,842,777	\$ 4,528,939	\$ 908,698	\$ 404,315
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ 18,312,583	\$ 131,698	\$ 90,930	\$ 43,059
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	28,369	119,319	1,013,294	64,820
Decrease (increase) in loans and notes receivable	-	-	-	-
Decrease (increase) in accrued interest and receivables	18,005	(171,718)	(85,153)	(25,101)
Decrease (increase) in inventory, deferred charges, other assets	(22,344)	(58,094)	(9,682)	(13,406)
Increase (decrease) in accounts payable, accruals, other liabilities	(8,179,782)	(53,807)	(202,077)	(179,897)
Total adjustments	(8,155,752)	(164,300)	716,382	(153,584)
Net cash provided by (used for) operating activities	\$ 10,156,831	\$ (32,602)	\$ 807,312	\$ (110,525)
Noncash investing, capital and financing activities				
Capital assets acquired under lease	\$ -	\$ -	\$ -	\$ -



NEVADA

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
\$ 239,107	\$ -	\$ 19,699	\$ 47,425	\$ 568,001	\$ 208,988	\$ 53,815,207
22,038,651	2,469,094	7,768,499	2,599,727	24,697,682	2,258,039	289,209,203
249,342	-	-	4,000	-	-	75,718,194
5,000	-	-	-	-	-	5,000
(9,781,274)	(68,770)	(1,364,337)	(140,038)	(6,688,681)	(696,124)	(349,962,373)
(665,544)	(2,142,601)	(4,827,631)	(1,901,034)	(14,651,009)	(1,359,199)	(35,065,725)
(11,353,870)	(267,689)	(1,566,206)	(568,094)	(544,464)	(476,321)	(18,787,978)
(88,445)	-	(14,958)	-	(56,660)	-	(160,207)
642,967	(9,966)	15,066	41,986	3,324,869	(64,617)	14,771,321
20,013	-	-	-	214,123	151,482	5,156,555
(50,000)	-	-	-	-	-	(79,764)
(29,987)	-	-	-	214,123	151,482	5,076,791
-	-	-	-	-	-	93,522
-	-	(8,056)	-	(611,824)	(164,313)	(6,314,569)
-	-	-	-	(1,312,224)	-	(1,312,224)
-	-	-	-	(8,582)	-	(8,582)
-	-	(8,056)	-	(1,932,630)	(164,313)	(7,541,853)
467	-	-	-	-	-	948,744
467	-	-	-	-	-	948,744
613,447	(9,966)	7,010	41,986	1,606,362	(77,448)	13,255,003
10,015,685	562,765	1,856,899	423,892	3,023,982	1,249,190	191,743,530
\$ 10,629,132	\$ 552,799	\$ 1,863,909	\$ 465,878	\$ 4,630,344	\$ 1,171,742	\$ 204,998,533
\$ 2,006,639	\$ 11,877	\$ 24,602	\$ 55,139	\$ 2,287,308	\$ (518,858)	\$ 22,444,977
800	1,140	21,103	2,421	1,365,329	272,599	2,889,194
5,000	-	-	-	-	-	5,000
(200,858)	(23,833)	(86,009)	(126)	(294,227)	267,585	(601,435)
(126,703)	-	(53,796)	(17,875)	(122,477)	24,956	(399,421)
(1,041,911)	850	109,166	2,427	88,936	(110,899)	(9,566,994)
(1,363,672)	(21,843)	(9,536)	(13,153)	1,037,561	454,241	(7,673,656)
\$ 642,967	\$ (9,966)	\$ 15,066	\$ 41,986	\$ 3,324,869	\$ (64,617)	\$ 14,771,321
\$ -	\$ -	\$ -	\$ -	\$ 2,139,826	\$ -	\$ 2,139,826

SESQUICENTENNIAL 2014 NEVADA DAY PARADE



Carson High School Band

FIDUCIARY FUNDS

PENSION AND OTHER EMPLOYEE BENEFIT TRUST

Public Employees' Retirement Accounts for the operations of the Public Employees' Retirement System which provides income benefits to qualified public employees (NRS 286.220).

Legislators' Retirement Accounts for the operations of the Legislators' Retirement System (NRS 218.2375).

Judicial Retirement Accounts for the operations of the Judicial Retirement System which provides benefits for justices of the Supreme Court and district judges (NRS 1A.160).

State Retirees' Fund Accounts for the assets accumulated and the payments made for other postemployment benefits provided to current and future State retirees. Administered as a defined benefit Other Postemployment Benefit Plan (OPEB). Funding comes from employer contributions and investment earnings (NRS 287.0436).

INVESTMENT TRUST

Local Government Investment Pool Accounts for investment funds received from local governments and pooled to obtain greater interest earnings (NRS 355.167).

Nevada Enhanced Savings Term Accounts for the establishment of one or more separate subaccounts for identified investments that are made for and allocated to specific participating local governments (NRS 355.165).

Retirement Benefits Investment Fund Accounts for investment of contributions made by participating entities to support financing of other post employment benefits at some time in the future (NRS 355.220).

PRIVATE PURPOSE TRUST

Prisoners' Personal Property Accounts for personal property held in trust for prisoners pending their release (NRS 209.241).

Nevada College Savings Plan Accounts for participant contributions used to pay for future college expenses (NRS 353B.340).

AGENCY

Intergovernmental Accounts for taxes and fees, such as sales and use, property tax and motor vehicle privilege tax, collected by the Department of Taxation on behalf of local governments (NRS 353.254).

State Agency Fund for Bonds Accounts for surety bonds and deposits held by the State (NRS 353.251).

Motor Vehicle Accounts for taxes and fees collected by the Department of Motor Vehicles pending distribution to counties (NRS 482.180).

Child Support Disbursement Accounts for the centralized collection and disbursement of child support payments in accordance with 42 U.S.C. Sec. 654b (NRS 425.363).

Child Welfare Trust Accounts for survivor benefits held in trust for children receiving welfare services (NRS 432.037).

Restitution Trust Accounts for money received from parolees making restitution (NRS 213.126).

State Payroll Accounts for payment of payroll and payroll deductions such as income tax withholding, insurance deductions, credit union deductions, etc. (NRS 227.130).

Combining Statement of Fiduciary Net Position

Pension and Other Employee Benefit Trust, Investment Trust and Private-Purpose Trust Funds

June 30, 2014

	Pension Trust Funds			Other Employee Benefit Trust Fund - State Retirees' Fund	Total
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement		
Assets					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ -	\$ -	\$ -	\$ 1,787,619	\$ 1,787,619
Cash in custody of other officials	1,022,818,228	8,169	229,826	-	1,023,056,223
<i>Investments:</i>					
Investments	-	-	-	1,253,459	1,253,459
Fixed income securities	8,765,972,447	1,359,077	25,979,954	-	8,793,311,478
Marketable equity securities	14,289,468,027	3,406,573	62,749,619	-	14,355,624,219
International securities	7,678,599,448	100,118	1,831,455	-	7,680,531,021
Real estate	1,337,751,979	-	-	-	1,337,751,979
Alternative investments	1,111,639,569	-	-	-	1,111,639,569
Collateral on loaned securities	541,523,662	-	-	-	541,523,662
<i>Receivables:</i>					
Accrued interest and dividends	100,132,219	2,589	48,012	-	100,182,820
Trades pending settlement	136,040,433	-	-	-	136,040,433
Intergovernmental receivables	99,783,365	-	1,303,905	20,836	101,108,106
Contributions receivable	-	-	-	-	-
Other receivables	-	-	4,377	-	4,377
Due from other funds	-	-	-	127,599	127,599
Due from fiduciary funds	19,120,277	-	-	-	19,120,277
Due from component units	-	-	-	1,330,987	1,330,987
Other assets	2,240,330	-	-	-	2,240,330
Furniture and equipment	39,174,100	-	-	-	39,174,100
Accumulated depreciation	(35,282,196)	-	-	-	(35,282,196)
Total assets	35,108,981,888	4,876,526	92,147,148	4,520,500	35,210,526,062
Liabilities					
<i>Accounts payable and accruals:</i>					
Accounts payable	12,780,760	1,883	4,153	-	12,786,796
Intergovernmental payables	-	-	-	-	-
Redemptions payable	-	-	-	-	-
Trades pending settlement	979,554,242	1,643	29,783	-	979,585,668
Bank overdraft	-	-	-	-	-
Obligations under securities lending	541,523,662	-	-	-	541,523,662
Due to other funds	76	-	-	2,997,009	2,997,085
Due to fiduciary funds	41,991	-	-	-	41,991
Total liabilities	1,533,900,731	3,526	33,936	2,997,009	1,536,935,202
Net Position					
<i>Held in trust for:</i>					
Employees' pension benefits	33,575,081,157	4,873,000	92,113,212	-	33,672,067,369
OPEB benefits	-	-	-	1,523,491	1,523,491
Pool participants	-	-	-	-	-
Individuals	-	-	-	-	-
Total net position	\$ 33,575,081,157	\$ 4,873,000	\$ 92,113,212	\$ 1,523,491	\$ 33,673,590,860



NEVADA

Investment Trust Funds				Private Purpose Trust Funds		
Local Government Investment Pool	Nevada Enhanced Savings Term	Retirement Benefits Investment Fund	Total	Prisoners' Personal Property	Nevada College Savings Plan	Total
\$ -	\$ -	\$ -	\$ -	\$ 6,516,804	\$ -	\$ 6,516,804
-	-	2,984,669	2,984,669	-	13,634,171	13,634,171
427,803,152	407,072,490	234,599,417	1,069,475,059	-	14,217,750,721	14,217,750,721
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
83,238	634,499	1,714,174	2,431,911	-	4,191,871	4,191,871
-	4,665,484	-	4,665,484	-	432,252	432,252
-	-	-	-	44,719	-	44,719
-	-	-	-	-	11,650,516	11,650,516
-	-	-	-	-	-	-
-	-	-	-	162,669	-	162,669
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	48,222	-	48,222
-	-	-	-	(48,222)	-	(48,222)
427,886,390	412,372,473	239,298,260	1,079,557,123	6,724,192	14,247,659,531	14,254,383,723
-	116,161	27,094	143,255	126,605	2,576,693	2,703,298
3,717	-	-	3,717	18,597	-	18,597
-	-	-	-	-	6,210,610	6,210,610
-	5,173,774	3,299,703	8,473,477	-	5,055,978	5,055,978
-	-	-	-	-	70,000	70,000
-	-	-	-	-	-	-
-	26,917	-	26,917	1,223,699	-	1,223,699
-	-	-	-	25,516	-	25,516
3,717	5,316,852	3,326,797	8,647,366	1,394,417	13,913,281	15,307,698
-	-	-	-	-	-	-
-	-	-	-	-	-	-
427,882,673	407,055,621	235,971,463	1,070,909,757	-	-	-
-	-	-	-	5,329,775	14,233,746,250	14,239,076,025
\$ 427,882,673	\$ 407,055,621	\$ 235,971,463	\$ 1,070,909,757	\$ 5,329,775	\$ 14,233,746,250	\$ 14,239,076,025

Combining Statement of Changes in Fiduciary Net Position Pension and Other Employee Benefit Trust, Investment Trust and Private-Purpose Trust Funds

For the Fiscal Year Ended June 30, 2014

	Pension Trust Funds				
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement	Other Employee Benefit Trust Fund - State Retirees' Fund	Total
Additions					
<i>Contributions:</i>					
Employer	\$ 1,405,006,553	\$ 213,351	\$ 6,991,764	\$ 32,697,856	\$ 1,444,909,524
Plan members	109,656,492	26,772	-	-	109,683,264
Participants	-	-	-	-	-
Repayment and purchase of service	42,752,491	-	-	-	42,752,491
Total contributions	1,557,415,536	240,123	6,991,764	32,697,856	1,597,345,279
<i>Investment income:</i>					
Net increase (decrease)					
in fair value of investments	4,175,149,677	754,125	13,333,150	208,109	4,189,445,061
Interest, dividends	801,752,542	53,683	940,175	38,710	802,785,110
Securities lending	8,075,580	-	-	-	8,075,580
Other	91,594,469	-	-	-	91,594,469
	5,076,572,268	807,808	14,273,325	246,819	5,091,900,220
Less investment expense:					
Other	(45,137,425)	(3,608)	(20,930)	(472)	(45,162,435)
Net investment income	5,031,434,843	804,200	14,252,395	246,347	5,046,737,785
<i>Other:</i>					
Investment from local governments	-	-	-	-	-
Reinvestment from interest income	-	-	-	-	-
Other	1,941,816	45,771	-	-	1,987,587
Total other	1,941,816	45,771	-	-	1,987,587
Total additions	6,590,792,195	1,090,094	21,244,159	32,944,203	6,646,070,651
Deductions					
Principal redeemed	-	-	-	-	-
Benefit payments	1,816,733,645	493,771	4,294,781	35,867,060	1,857,389,257
Refunds	23,047,743	-	-	-	23,047,743
Contribution distributions	990,121	-	-	-	990,121
Dividends to investors	-	-	-	-	-
Administrative expense	9,592,570	46,046	83,197	-	9,721,813
Total deductions	1,850,364,079	539,817	4,377,978	35,867,060	1,891,148,934
Change in net position	4,740,428,116	550,277	16,866,181	(2,922,857)	4,754,921,717
Net position, July 1	28,834,653,041	4,322,723	75,247,031	4,446,348	28,918,669,143
Net position, June 30	\$ 33,575,081,157	\$ 4,873,000	\$ 92,113,212	\$ 1,523,491	\$33,673,590,860



NEVADA

Investment Trust Funds				Private Purpose Trust Funds		
Local Government Investment Pool	Nevada Enhanced Savings Term	Retirement Benefits Investment Fund	Total	Prisoners' Personal Property	Nevada College Savings Plan	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	19,506,446	3,364,128,924	3,383,635,370
-	-	-	-	-	-	-
-	-	-	-	19,506,446	3,364,128,924	3,383,635,370
(30,276)	(1,652,744)	28,792,733	27,109,713	-	1,581,529,549	1,581,529,549
505,471	6,851,166	5,932,521	13,289,158	-	267,582,885	267,582,885
-	-	-	-	-	-	-
-	-	-	-	-	-	-
475,195	5,198,422	34,725,254	40,398,871	-	1,849,112,434	1,849,112,434
-	-	(40,841)	(40,841)	-	-	-
475,195	5,198,422	34,684,413	40,358,030	-	1,849,112,434	1,849,112,434
832,696,257	-	18,305,000	851,001,257	-	-	-
431,158	-	-	431,158	-	-	-
-	-	255	255	-	-	-
833,127,415	-	18,305,255	851,432,670	-	-	-
833,602,610	5,198,422	52,989,668	891,790,700	19,506,446	5,213,241,358	5,232,747,804
913,967,898	48,829	-	914,016,727	-	2,215,500,426	2,215,500,426
-	-	-	-	19,058,005	-	19,058,005
-	-	-	-	-	-	-
-	-	-	-	-	-	-
482,697	-	-	482,697	-	-	-
22,773	569,946	36,008	628,727	-	26,511,044	26,511,044
914,473,368	618,775	36,008	915,128,151	19,058,005	2,242,011,470	2,261,069,475
(80,870,758)	4,579,647	52,953,660	(23,337,451)	448,441	2,971,229,888	2,971,678,329
508,753,431	402,475,974	183,017,803	1,094,247,208	4,881,334	11,262,516,362	11,267,397,696
\$ 427,882,673	\$ 407,055,621	\$ 235,971,463	\$1,070,909,757	\$ 5,329,775	\$ 14,233,746,250	\$ 14,239,076,025

Combining Statement of Fiduciary Assets and Liabilities Agency Funds

June 30, 2014

	Intergovernmental	State Agency Fund for Bonds	Motor Vehicle	Child Support Disbursement
Assets				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 14,821,002	\$ 24,979,085	\$ 25,881,768	\$ -
Cash in custody of other officials	-	23,371,884	5,741,705	3,636,326
Investments	-	216,538,645	-	-
<i>Receivables:</i>				
Taxes receivable	10,184,131	-	45,507,803	-
Intergovernmental receivables	-	-	-	-
Other receivables	-	-	96,690	-
Due from other funds	465,946,223	32,221,701	884,880	-
Due from fiduciary funds	11,468,873	-	774	-
Due from component units	-	-	-	-
Total assets	\$ 502,420,229	\$ 297,111,315	\$ 78,113,620	\$ 3,636,326
Liabilities				
<i>Accounts payable and accruals:</i>				
Accrued payroll and related liabilities	\$ -	\$ -	\$ -	\$ -
Intergovernmental payables	502,420,229	-	59,202,069	-
Due to fiduciary funds	-	-	11,468,873	-
<i>Other liabilities:</i>				
Deposits	-	297,111,315	7,323,762	-
Other liabilities	-	-	118,916	3,636,326
Total liabilities	\$ 502,420,229	\$ 297,111,315	\$ 78,113,620	\$ 3,636,326



NEVADA

Child Welfare Trust	Restitution Trust	State Payroll	Total
\$ 45,714	\$ 1,392,695	\$ 19,358,207	\$ 86,478,471
-	-	-	32,749,915
-	-	-	216,538,645
-	-	-	55,691,934
-	-	16,521	16,521
-	-	-	96,690
629	100	2,510,192	501,563,725
-	24,742	41,991	11,536,380
-	-	1,202,326	1,202,326
<u>\$ 46,343</u>	<u>\$ 1,417,537</u>	<u>\$ 23,129,237</u>	<u>\$ 905,874,607</u>
\$ -	\$ -	\$ 1,025,191	\$ 1,025,191
1,432	-	-	561,623,730
-	-	19,120,277	30,589,150
-	-	2,983,769	307,418,846
44,911	1,417,537	-	5,217,690
<u>\$ 46,343</u>	<u>\$ 1,417,537</u>	<u>\$ 23,129,237</u>	<u>\$ 905,874,607</u>

Combining Statement of Changes in Assets and Liabilities Agency Funds

For the Fiscal Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Intergovernmental				
Assets				
Cash with treasurer	\$ 13,007,447	\$ 3,018,648,548	\$ 3,016,834,993	\$ 14,821,002
Taxes receivable	11,710,319	40,714,669	42,240,857	10,184,131
Due from other funds	440,898,311	465,944,064	440,896,152	465,946,223
Due from fiduciary funds	10,474,456	11,468,873	10,474,456	11,468,873
Total assets	\$ 476,090,533	\$ 3,536,776,154	\$ 3,510,446,458	\$ 502,420,229
Liabilities				
Intergovernmental payables	\$ 476,090,533	\$ 3,523,506,723	\$ 3,497,177,027	\$ 502,420,229
Total liabilities	\$ 476,090,533	\$ 3,523,506,723	\$ 3,497,177,027	\$ 502,420,229
State Agency Fund for Bonds				
Assets				
Cash with treasurer	\$ 23,853,927	\$ 5,611,080	\$ 4,485,922	\$ 24,979,085
Cash in custody of other officials	25,853,235	2,347,144	4,828,495	23,371,884
Investments	208,939,789	53,049,144	45,450,288	216,538,645
Due from other funds	32,560,713	444,089	783,101	32,221,701
Total assets	\$ 291,207,664	\$ 61,451,457	\$ 55,547,806	\$ 297,111,315
Liabilities				
Deposits	\$ 291,199,481	\$ 60,907,831	\$ 54,995,997	\$ 297,111,315
Other liabilities	8,183	77	8,260	-
Total liabilities	\$ 291,207,664	\$ 60,907,908	\$ 55,004,257	\$ 297,111,315
Motor Vehicle				
Assets				
Cash with treasurer	\$ 20,389,126	\$ 1,143,530,733	\$ 1,138,038,091	\$ 25,881,768
Cash in custody of other officials	5,714,405	79,400	52,100	5,741,705
Taxes receivable	42,168,718	42,945,662	39,606,577	45,507,803
Other receivables	107,731	-	11,041	96,690
Due from other funds	769,902	884,880	769,902	884,880
Due from fiduciary funds	763	774	763	774
Total assets	\$ 69,150,645	\$ 1,187,441,449	\$ 1,178,478,474	\$ 78,113,620
Liabilities				
Intergovernmental payables	\$ 51,154,601	\$ 1,175,983,458	\$ 1,167,935,990	\$ 59,202,069
Due to fiduciary funds	10,474,456	11,468,873	10,474,456	11,468,873
Deposits	7,402,671	273,529	352,438	7,323,762
Other liabilities	118,917	-	1	118,916
Total liabilities	\$ 69,150,645	\$ 1,187,725,860	\$ 1,178,762,885	\$ 78,113,620
Child Support Disbursement				
Assets				
Cash in custody of other officials	\$ 3,070,661	\$ 208,199,800	\$ 207,634,135	\$ 3,636,326
Total assets	\$ 3,070,661	\$ 208,199,800	\$ 207,634,135	\$ 3,636,326
Liabilities				
Other liabilities	\$ 3,070,661	\$ 208,790,351	\$ 208,224,686	\$ 3,636,326
Total liabilities	\$ 3,070,661	\$ 208,790,351	\$ 208,224,686	\$ 3,636,326
Child Welfare Trust				
Assets				
Cash with treasurer	\$ 20,263	\$ 250,597	\$ 225,146	\$ 45,714
Due from other funds	663	629	663	629
Total assets	\$ 20,926	\$ 251,226	\$ 225,809	\$ 46,343
Liabilities				
Intergovernmental payables	\$ 1,510	\$ 1,432	\$ 1,510	\$ 1,432
Other liabilities	19,416	256,874	231,379	44,911
Total liabilities	\$ 20,926	\$ 258,306	\$ 232,889	\$ 46,343

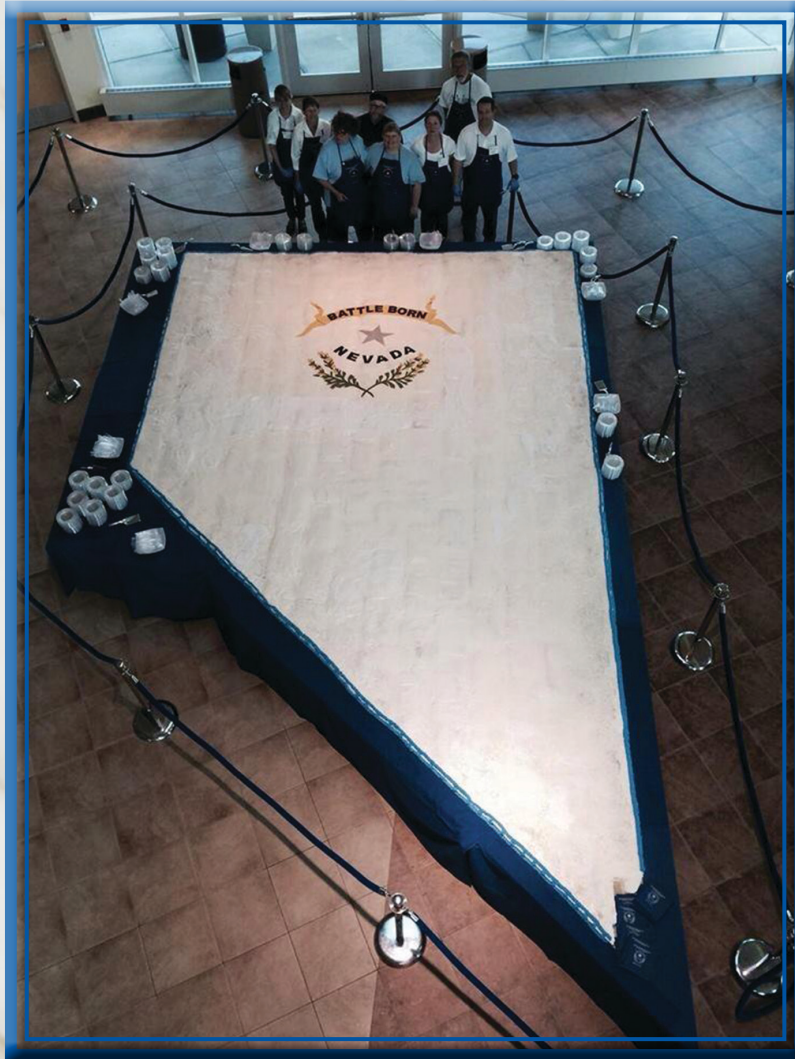


NEVADA

(Continued)

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Restitution Trust				
Assets				
Cash with treasurer	\$ 1,482,806	\$ 3,120,874	\$ 3,210,985	\$ 1,392,695
Due from other funds	1,718	100	1,718	100
Due from fiduciary funds	15,246	24,742	15,246	24,742
Total assets	\$ 1,499,770	\$ 3,145,716	\$ 3,227,949	\$ 1,417,537
Liabilities				
Other liabilities	\$ 1,499,770	\$ 3,117,572	\$ 3,199,805	\$ 1,417,537
Total liabilities	\$ 1,499,770	\$ 3,117,572	\$ 3,199,805	\$ 1,417,537
State Payroll				
Assets				
Cash with treasurer	\$ 15,499,161	\$ 736,777,827	\$ 732,918,781	\$ 19,358,207
Intergovernmental receivables	40,354	16,521	40,354	16,521
Due from other funds	1,139,178	2,510,192	1,139,178	2,510,192
Due from fiduciary funds	44,752	41,991	44,752	41,991
Due from component unit	1,213,449	1,202,326	1,213,449	1,202,326
Total assets	\$ 17,936,894	\$ 740,548,857	\$ 735,356,514	\$ 23,129,237
Liabilities				
Accrued payroll and related liabilities	\$ 248,890	\$ 384,549,190	\$ 383,772,889	\$ 1,025,191
Due to fiduciary funds	17,420,555	250,440,905	248,741,183	19,120,277
Deposits	267,449	104,727,037	102,010,717	2,983,769
Total liabilities	\$ 17,936,894	\$ 739,717,132	\$ 734,524,789	\$ 23,129,237
Totals - All Agency Funds				
Assets				
Cash with treasurer	\$ 74,252,730	\$ 4,907,939,659	\$ 4,895,713,918	\$ 86,478,471
Cash in custody of other officials	34,638,301	210,626,344	212,514,730	32,749,915
Investments	208,939,789	53,049,144	45,450,288	216,538,645
Taxes receivable	53,879,037	83,660,331	81,847,434	55,691,934
Intergovernmental receivables	40,354	16,521	40,354	16,521
Other receivables	107,731	-	11,041	96,690
Due from other funds	475,370,485	469,783,954	443,590,714	501,563,725
Due from fiduciary funds	10,535,217	11,536,380	10,535,217	11,536,380
Due from component unit	1,213,449	1,202,326	1,213,449	1,202,326
Total assets	\$ 858,977,093	\$ 5,737,814,659	\$ 5,690,917,145	\$ 905,874,607
Liabilities				
Accrued payroll and related liabilities	\$ 248,890	\$ 384,549,190	\$ 383,772,889	\$ 1,025,191
Intergovernmental payables	527,246,644	4,699,491,613	4,665,114,527	561,623,730
Due to fiduciary funds	27,895,011	261,909,778	259,215,639	30,589,150
Deposits	298,869,601	165,908,397	157,359,152	307,418,846
Other liabilities	4,716,947	212,164,874	211,664,131	5,217,690
Total liabilities	\$ 858,977,093	\$ 5,724,023,852	\$ 5,677,126,338	\$ 905,874,607

SESQUICENTENNIAL CAKE



Side by side images of First Lady Kathleen Sandoval cutting the Sesquicentennial Cake in 2014 and Former First Lady Bette Sawyer cutting the Centennial Cake in 1964.

STATISTICAL SECTION

This part of the State of Nevada’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

<u>TABLES</u>	<u>PAGES</u>
FINANCIAL TRENDS	
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REVENUE CAPACITY	
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DEBT CAPACITY	
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OPERATING INFORMATION	
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Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial report of the relevant year.

Statistical Tables



NEVADA

Table 1 - Net Position by Component

Last Ten Fiscal Years, (Accrual Basis of Accounting, Expressed in Thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net investment in capital assets	\$ 3,257,469	\$ 3,445,629	\$ 3,486,155	\$ 3,522,177	\$ 3,492,205	\$ 3,622,787	\$ 3,875,141	\$ 4,017,147	\$ 4,357,735	\$ 4,672,738
Restricted	663,901	675,966	613,375	697,168	702,743	683,526	749,818	700,341	741,250	866,071
Unrestricted (deficit)	303,704	504,541	623,787	289,123	(236,912)	(224,799)	(276,924)	(59,069)	(3,135)	(124,344)
Total governmental activities net position	\$ 4,225,074	\$ 4,626,136	\$ 4,723,317	\$ 4,508,468	\$ 3,958,036	\$ 4,081,514	\$ 4,348,035	\$ 4,658,419	\$ 5,095,850	\$ 5,414,465
Business-type Activities										
Net investment in capital assets	\$ 2,906	\$ 2,824	\$ 2,783	\$ 3,393	\$ 3,286	\$ 3,615	\$ 3,120	\$ 3,076	\$ 3,422	\$ 3,434
Restricted	956,895	1,143,248	1,293,737	1,297,613	819,348	464,346	503,090	538,143	560,410	599,806
Unrestricted (deficit)	8,470	6,428	9,441	10,206	(5,486)	(303,705)	(558,265)	(544,418)	(360,488)	(223,987)
Total business-type activities net position	\$ 968,271	\$ 1,152,500	\$ 1,305,961	\$ 1,311,212	\$ 817,168	\$ 164,256	\$ (52,055)	\$ (3,199)	\$ 203,344	\$ 379,253
Primary Government										
Net investment in capital assets	\$ 3,260,375	\$ 3,448,453	\$ 3,488,938	\$ 3,525,570	\$ 3,495,491	\$ 3,626,402	\$ 3,878,261	\$ 4,020,223	\$ 4,361,157	\$ 4,676,172
Restricted	1,620,796	1,819,214	1,907,112	1,994,781	1,522,091	1,147,872	1,252,908	1,238,484	1,301,660	1,465,877
Unrestricted (deficit)	312,174	510,969	633,228	299,329	(242,378)	(528,504)	(835,189)	(603,487)	(363,623)	(348,331)
Total primary government net position	\$ 5,193,345	\$ 5,778,636	\$ 6,029,278	\$ 5,819,680	\$ 4,775,204	\$ 4,245,770	\$ 4,295,980	\$ 4,655,220	\$ 5,299,194	\$ 5,793,718

Table 2 - Changes in Net Position

Last Ten Fiscal Years, (Accrual Basis of Accounting, Expressed in Thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 304,926	\$ 349,224	\$ 421,291	\$ 439,682	\$ 389,943	\$ 375,219	\$ 334,616	\$ 240,417	\$ 229,136	\$ 202,620
Health and social services	2,082,562	2,198,551	2,340,884	2,454,843	2,667,419	3,017,013	3,209,237	3,250,926	3,464,334	3,784,055
Education and support services	1,717,479	1,830,236	2,254,626	2,381,731	2,475,416	2,430,923	2,393,536	2,280,899	2,290,844	2,326,498
Law, justice and public safety	535,371	578,049	624,149	650,657	687,410	690,104	667,598	646,701	657,728	662,330
Regulation of business	92,240	101,857	104,385	114,786	118,086	100,380	122,679	101,687	85,688	303,020
Transportation	665,315	508,569	680,281	576,815	762,610	644,976	630,657	801,797	505,354	327,519
Recreation and resource development	157,881	156,933	173,037	167,627	165,741	161,048	153,404	138,599	134,578	139,188
Interest on long-term debt	141,154	132,969	150,486	146,312	138,304	132,238	128,606	122,080	106,126	121,224
Unallocated depreciation	1,441	1,513	720	992	976	1,448	1,402	1,755	2,023	2,150
Total governmental activities expenses	\$ 5,698,369	\$ 5,857,901	\$ 6,749,859	\$ 6,933,445	\$ 7,405,905	\$ 7,553,349	\$ 7,641,735	\$ 7,584,861	\$ 7,475,811	\$ 7,868,604
Business-type activities:										
Unemployment insurance	238,386	239,232	296,784	439,632	1,336,043	2,233,382	1,767,632	1,286,839	867,600	552,246
Housing	53,011	45,397	46,152	43,953	44,382	57,342	83,467	50,979	34,247	31,954
Water loans	7,710	8,226	7,885	6,836	6,218	14,697	16,476	8,249	8,942	7,837
Workers' compensation and safety	21,004	23,991	25,381	26,258	26,801	26,084	29,642	27,706	28,685	26,715
Higher education tuition	11,496	18,940	10,504	8,109	13,103	14,051	18,959	26,067	25,081	21,325
Other	14,706	15,601	16,424	20,496	16,967	23,175	28,905	26,187	32,107	32,944
Total business-type activities expenses	\$ 346,313	\$ 351,387	\$ 403,130	\$ 545,284	\$ 1,443,514	\$ 2,368,731	\$ 1,945,081	\$ 1,426,027	\$ 996,662	\$ 673,021
Total primary government expenses	\$ 6,044,682	\$ 6,209,288	\$ 7,152,989	\$ 7,478,729	\$ 8,849,419	\$ 9,922,080	\$ 9,586,816	\$ 9,010,888	\$ 8,472,473	\$ 8,541,625

Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 200,390	\$ 226,191	\$ 254,947	\$ 254,198	\$ 281,997	\$ 285,927	\$ 301,856	\$ 183,278	\$ 180,169	\$ 174,265
Health and social services	133,651	138,675	125,915	147,785	141,473	131,408	156,698	212,730	212,310	172,459
Law, justice and public safety	261,254	242,262	256,015	257,355	252,755	236,004	234,385	253,431	267,060	273,895
Other	142,430	162,028	148,959	135,034	118,668	143,689	177,342	145,116	128,126	146,567
Operating grants and contributions	1,829,252	1,848,091	2,025,361	1,982,315	2,544,032	3,141,986	3,050,092	3,091,556	3,116,377	3,416,382
Capital grants and contributions	7,795	27,080	16,010	21,871	19,608	56,719	164,711	73,749	56,003	9,349
Total governmental activities program revenues	2,574,772	2,644,327	2,827,207	2,798,558	3,358,533	3,995,733	4,085,084	3,959,860	3,960,045	4,192,917
Business-type activities:										
Charges for services:										
Unemployment insurance	-	-	-	-	1,460	1,669	1,587	1,544	1,556	1,393
Housing	34,931	33,589	32,372	30,721	26,604	23,693	21,385	20,105	19,840	16,003
Water loans	5,580	6,484	9,907	8,978	8,648	8,409	8,370	8,371	8,873	8,924
Workers' compensation and safety	33,892	25,593	36,037	35,632	38,955	30,144	35,071	37,946	34,322	40,671
Higher education tuition (a)	9,384	9,032	6,044	4,405	6,222	9,284	8,222	14,065	20,074	22,063
Other	21,852	24,035	24,652	31,844	29,504	23,352	30,854	25,856	32,358	32,210
Operating grants and contributions (a)	74,390	102,658	93,578	83,982	519,401	1,327,044	1,242,754	848,585	503,960	196,653
Total business-type activities program revenues	180,029	201,391	202,590	195,562	630,794	1,422,533	1,349,305	956,472	620,983	317,917
Total primary government program revenues	2,754,801	2,845,718	3,029,797	2,994,120	3,989,327	5,418,266	5,434,389	4,916,332	4,581,028	4,510,834
Net (Expense)/Revenue										
Governmental activities	\$ (3,123,597)	\$ (3,213,574)	\$ (3,922,652)	\$ (4,134,887)	\$ (4,047,372)	\$ (3,557,616)	\$ (3,556,651)	\$ (3,625,001)	\$ (3,515,766)	\$ (3,675,687)
Business-type activities	(166,284)	(149,996)	(200,540)	(349,722)	(812,720)	(946,198)	(595,776)	(469,555)	(375,679)	(355,104)
Total primary government net expense	\$ (3,289,881)	\$ (3,363,570)	\$ (4,123,192)	\$ (4,484,609)	\$ (4,860,092)	\$ (4,503,814)	\$ (4,152,427)	\$ (4,094,556)	\$ (3,891,445)	\$ (4,030,791)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Sales and use taxes	\$ 999,623	\$ 1,087,939	\$ 1,149,456	\$ 1,101,741	\$ 943,787	\$ 870,474	\$ 931,911	\$ 967,374	\$ 1,027,124	\$ 1,085,656
Gaming taxes	900,261	1,003,111	1,029,044	1,011,506	883,054	844,470	850,021	884,928	901,085	922,999
Modified business taxes	226,924	255,252	282,729	297,161	281,605	381,300	378,971	373,156	386,928	382,976
Insurance premium taxes	215,353	238,297	261,378	256,847	241,252	233,334	233,083	238,083	252,195	256,587
Property and transfer taxes	287,410	318,941	296,498	280,896	278,881	266,878	231,758	215,649	215,211	209,784
Motor and special fuel taxes	281,726	297,383	300,182	297,087	272,614	268,554	267,649	267,181	269,232	269,544
Other taxes	362,797	398,460	427,109	425,250	407,469	642,979	688,752	696,431	685,650	688,399
Investment earnings	25,238	87,729	143,013	105,075	9,026	(1,246)	(4,182)	(11,543)	2,892	5,462
Other	162,869	86,371	99,476	116,082	148,321	146,879	214,277	300,430	229,733	160,298
Contributions to permanent fund	44,598	76,553	12,208	8,801	7,019	8,165	6,637	6,705	5,376	5,908
Special item	-	(276,773)	-	-	-	-	-	-	-	-
Transfers	17,620	31,373	18,740	19,592	23,912	19,361	24,044	(3,009)	(22,229)	6,689
Total governmental activities	3,524,419	3,614,636	4,019,833	3,920,038	3,496,940	3,681,094	3,823,172	3,935,385	3,953,197	3,994,302
Business-type activities:										
Other taxes	320,622	385,598	372,741	374,565	342,588	314,657	403,509	515,402	565,925	537,372
Other	-	-	-	-	-	-	-	-	212	330
Transfers	(17,620)	(31,373)	(18,740)	(19,592)	(23,912)	(19,361)	(24,044)	3,009	22,229	(6,689)
Total business-type activities	303,002	334,225	354,001	354,973	318,676	295,296	379,465	518,411	588,366	531,013
Total primary government	3,827,421	3,948,861	4,373,834	4,275,011	3,815,616	3,976,390	4,202,637	4,453,796	4,541,563	4,525,315
Change in Net Position										
Governmental activities	\$ 400,822	\$ 401,062	\$ 97,181	\$ (214,849)	\$ (550,432)	\$ 123,478	\$ 266,521	\$ 310,384	\$ 437,431	\$ 318,615
Business-type activities	136,718	184,229	153,461	5,251	(494,044)	(650,902)	(216,311)	48,856	212,687	175,909
Total primary government	\$ 537,540	\$ 585,291	\$ 250,642	\$ (209,598)	\$ (1,044,476)	\$ (527,424)	\$ 50,210	\$ 359,240	\$ 650,118	\$ 494,524

(a) Revised figures for years 2005-2013



Table 3 - Fund Balances of Governmental Funds

Last Ten Fiscal Years, (Modified Accrual Basis of Accounting, Expressed in Thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 65,656	\$ 35,336	\$ 17,585	\$ 15,088	\$ 13,512	\$ 12,463	\$ -	\$ -	\$ -	\$ -
Unreserved	474,342	486,160	427,506	384,663	179,310	222,095	-	-	-	-
Nonspendable	-	-	-	-	-	-	18,456	23,801	33,113	39,255
Restricted	-	-	-	-	-	-	73,687	61,049	59,359	65,342
Committed	-	-	-	-	-	-	270,568	281,751	345,248	306,050
Unassigned	-	-	-	-	-	-	(115,965)	(96,272)	(66,701)	(135,789)
Total General fund	\$ 539,998	\$ 521,496	\$ 445,091	\$ 399,751	\$ 192,822	\$ 234,558	\$ 246,746	\$ 270,329	\$ 371,019	\$ 274,858
All Other Governmental Funds										
Reserved	\$ 798,715	\$ 1,004,407	\$ 1,244,430	\$ 1,311,024	\$ 947,719	\$ 1,078,045	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	1,225,603	1,038,753	771,887	403,715	396,520	203,466	-	-	-	-
Capital projects funds	46,316	39,365	87,057	17,402	73,892	59,944	-	-	-	-
Permanent funds	21	21	22	22	20	20	-	-	-	-
Nonspendable	-	-	-	-	-	-	607,134	614,697	604,111	599,746
Restricted	-	-	-	-	-	-	414,040	276,666	324,473	597,389
Committed	-	-	-	-	-	-	188,796	212,311	245,888	235,265
Unassigned	-	-	-	-	-	-	(191)	-	-	-
Total all other governmental funds	\$ 2,070,655	\$ 2,082,546	\$ 2,103,396	\$ 1,732,163	\$ 1,418,151	\$ 1,341,475	\$ 1,209,779	\$ 1,103,674	\$ 1,174,472	\$ 1,432,400

Note: GASB Statement 54 changed the presentation of fund balance categories and classifications beginning in fiscal year 2011.

Table 4 - Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years, (Modified Accrual Basis of Accounting, Expressed in Thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Gaming taxes, fees, licenses	\$ 900,261	\$ 1,003,111	\$ 1,028,663	\$ 1,008,516	\$ 880,573	\$ 842,359	\$ 849,733	\$ 884,331	\$ 896,685	\$ 927,824
Sales taxes	993,324	1,099,483	1,132,418	1,088,024	953,112	870,539	925,899	965,060	1,024,624	1,081,735
Modified business taxes	226,923	255,252	278,953	284,600	277,516	385,110	381,901	369,661	386,610	384,886
Insurance premium taxes	215,353	238,297	259,275	256,693	238,524	233,906	234,831	236,787	248,512	263,532
Property and transfer taxes	287,410	318,941	296,498	280,895	278,881	266,878	231,758	215,649	215,211	209,784
Motor and special fuel taxes	281,726	297,383	300,182	297,088	272,614	268,554	267,649	267,181	269,232	269,543
Other taxes	352,321	343,292	373,436	372,652	387,449	620,543	664,427	657,138	685,948	692,192
Intergovernmental	1,943,630	1,972,799	2,108,916	2,058,071	2,672,751	3,273,266	3,372,565	3,335,558	3,340,627	3,552,327
Licenses, fees and permits	377,419	422,934	429,501	432,729	419,514	452,838	497,847	490,240	487,123	508,401
Sales and charges for services	81,561	80,134	97,408	95,407	85,401	84,422	81,923	85,211	87,595	90,322
Interest and investment income	120,901	152,801	239,651	185,006	44,831	37,855	31,853	22,599	23,496	25,397
Settlement income	39,114	35,685	37,351	45,976	50,062	41,963	39,517	40,291	147,071	40,120
Land sales	39,770	71,231	5,756	2,503	663	965	560	397	632	1,933
Other	71,372	88,006	91,086	105,475	141,808	112,728	143,461	160,921	151,708	83,277
Total revenues	5,931,085	6,379,349	6,679,094	6,513,635	6,703,699	7,491,926	7,723,924	7,731,024	7,965,074	8,131,273

Expenditures													
General government	163,100	183,194	230,011	212,659	166,909	137,994	141,366	134,889	143,135	112,757			
Health and social services	2,021,152	2,080,371	2,220,212	2,298,239	2,510,530	2,833,205	3,009,386	3,086,457	3,264,884	3,593,828			
Education and support services	27,692	39,021	39,257	45,240	57,815	57,196	53,796	53,959	53,119	30,845			
Law, justice and public safety	480,922	530,247	583,601	617,151	628,500	633,890	609,230	604,364	595,649	622,066			
Regulation of business	88,995	95,467	100,119	104,844	105,631	107,145	109,928	91,792	80,594	293,438			
Transportation	691,328	706,543	776,852	612,493	747,425	691,931	751,647	846,335	578,231	452,821			
Recreation and resource development	121,385	134,841	144,245	166,347	135,272	130,800	129,770	125,809	121,330	132,682			
Intergovernmental	1,917,752	2,104,075	2,502,222	2,634,976	2,706,025	2,704,690	2,716,157	2,569,693	2,592,985	2,638,028			
Capital outlay	88,882	114,226	71,999	167,959	176,599	59,520	41,105	34,222	61,330	29,741			
Debt service:													
Principal	136,263	286,771	348,072	424,971	183,976	176,982	194,920	171,004	163,889	166,021			
Interest, fiscal charges	137,058	120,683	137,972	143,181	145,169	140,495	135,842	125,978	116,183	106,871			
Debt issuance costs	3,844	1,116	3,167	2,440	2,080	1,734	1,300	1,795	1,901	2,282			
Arbitrage payment	-	74	-	-	-	-	-	22	180	730			
Total expenditures	5,878,373	6,386,629	7,157,729	7,430,500	7,565,931	7,675,582	7,894,447	7,856,319	7,773,410	8,182,110			
Excess (deficiency) of revenues over (under) expenditures	52,712	(7,280)	(478,635)	(916,865)	(862,232)	(183,656)	(170,523)	(125,295)	191,664	(50,837)			
Other Financing Sources (Uses)													
Capital leases	1,113	4,143	8,487	2,926	20	18,209	408	-	-	-			
Sale of general obligation bonds	293,921	231,623	387,155	448,379	300,384	109,244	22,655	42,020	-	141,045			
Sale of general obligation refunding bonds	677,231	-	118,346	-	-	33,746	117,415	243,080	353,470	4,125			
Premium on general obligation bonds	51,003	9,703	17,635	17,861	18,494	3,928	13,172	40,530	52,780	21,012			
Payment to refunded bond agent	(718,919)	-	(122,039)	-	-	(35,677)	(128,529)	(279,916)	(404,178)	(4,425)			
Sale of certificates of participation	22,435	-	5,760	-	-	-	-	-	-	50,445			
Sale of refunding certificates of participation	-	-	-	-	-	7,900	-	-	-	35,785			
Premium (discount) on certificates of participation	(37)	-	(78)	-	-	743	-	-	-	2,794			
Payment to refunded certificates of participation agent	-	-	-	-	-	(8,466)	-	-	-	(42,799)			
Sale of capital assets	23,350	166	646	11,489	684	92	89	103	99	335			
Transfers in	436,899	380,858	587,137	763,988	476,147	358,113	221,167	156,037	194,136	192,193			
Transfers out	(421,592)	(349,050)	(579,970)	(744,350)	(454,439)	(339,116)	(195,362)	(159,081)	(216,483)	(187,907)			
Total other financing sources (uses)	365,404	277,443	423,079	500,293	341,290	148,716	51,015	42,773	(20,176)	212,603			
Special Item													
One-time tax rebate	-	(276,773)	-	-	-	-	-	-	-	-			
Net change in fund balances	\$ 418,116	\$ (6,610)	\$ (55,556)	\$ (416,572)	\$ (520,942)	\$ (34,940)	\$ (119,508)	\$ (82,522)	\$ 171,488	\$ 161,766			
Total expenditures	\$ 5,878,373	\$ 6,386,629	\$ 7,157,729	\$ 7,430,500	\$ 7,565,931	\$ 7,675,582	\$ 7,894,447	\$ 7,856,319	\$ 7,773,410	\$ 8,182,110			
Less: Capitalized assets included in the functional categories	177,863	387,287	245,032	296,926	227,812	209,123	245,790	221,991	232,772	271,655			
Total noncapital expenditures	\$ 5,700,510	\$ 5,999,342	\$ 6,912,697	\$ 7,134,574	\$ 7,338,119	\$ 7,466,459	\$ 7,648,657	\$ 7,634,328	\$ 7,540,638	\$ 7,910,455			
Debt service (principal and interest) as a percentage of noncapital expenditures (a)													
	4.79%	6.96%	7.03%	7.96%	4.49%	4.25%	4.32%	3.89%	3.71%	3.45%			

(a) The percentages have been revised for fiscal years 2005 through 2010 to only include debt service principal and interest in the calculation.



Table 5 - Taxable Sales by County

Last Ten Fiscal Years, (Expressed in Thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Taxable Sales by County:										
Carson City	\$ 979,049	\$1,021,210	\$ 991,893	\$ 919,266	\$ 761,379	\$ 678,626	\$ 735,161	\$ 756,079	\$ 779,297	\$ 804,368
Churchill	280,304	331,338	306,426	294,411	321,713	251,257	249,112	320,188	387,570	252,675
Clark	32,430,309	35,604,392	36,262,388	35,930,374	31,376,242	27,969,288	29,046,720	31,080,881	32,566,665	35,040,892
Douglas	805,334	815,590	765,218	691,609	584,679	537,187	532,984	557,660	592,823	599,623
Elko	857,707	1,029,763	1,193,449	1,148,379	1,101,164	1,093,158	1,477,347	1,545,691	1,595,351	1,426,133
Esmeralda	8,707	8,598	16,523	12,645	9,226	6,551	11,832	20,399	19,806	16,826
Eureka	194,943	315,450	501,077	328,505	285,942	266,356	304,276	367,340	370,492	315,756
Humboldt	386,364	483,366	474,811	508,713	498,791	533,667	748,153	740,656	921,112	780,774
Lander	157,114	170,539	280,378	228,213	264,109	220,348	249,321	443,458	440,677	302,691
Lincoln	30,023	31,529	15,398	26,967	25,257	25,871	33,116	50,417	30,055	29,501
Lyon	390,743	441,896	375,523	385,591	340,284	290,241	300,843	346,511	305,525	356,890
Mineral	31,532	33,445	35,679	38,843	37,247	36,280	42,181	57,696	66,463	62,661
Nye	477,921	522,296	540,377	473,291	427,505	397,570	466,836	498,130	832,077	624,761
Pershing	56,847	62,992	68,332	67,279	62,892	65,681	78,096	106,443	96,442	94,633
Storey	85,416	109,411	204,717	121,244	59,578	48,299	61,863	70,859	77,729	108,434
Washoe	6,660,263	7,245,525	7,202,641	6,823,701	5,707,791	5,176,982	5,282,935	5,522,605	5,824,726	6,370,685
White Pine	127,928	175,147	192,877	197,818	220,815	174,705	314,235	469,737	296,598	253,042
Total	\$ 43,960,504	\$ 48,402,487	\$ 49,427,707	\$ 48,196,849	\$ 42,086,614	\$ 37,772,067	\$ 39,935,011	\$ 42,954,750	\$ 45,203,408	\$ 47,440,345

The State receives a portion of sales taxes at a rate of 2% on taxable sales.

Source: Department of Taxation

Table 6 - Principal Sales Tax Payers by Business Type

Current Year and Nine Years Ago, (Expressed in Thousands)

	Fiscal Year 2005			Fiscal Year 2014		
	Taxable Sales	Percentage of Total Taxable Sales	Tax Liability	Taxable Sales	Percentage of Total Taxable Sales	Tax Liability
Business Type:						
Food services and drinking places	\$ 7,888,949	17.9%	\$ 157,779	\$ 10,625,199	22.4%	\$ 212,504
Motor vehicle and parts dealers	6,692,009	15.1%	133,840	5,347,562	11.3%	106,951
General merchandise stores	3,799,964	8.6%	75,999	4,454,327	9.4%	89,087
Clothing and clothing accessories stores	1,989,101	4.5%	39,782	3,848,591	8.1%	76,972
Merchant wholesalers, durable goods	2,840,220	6.4%	56,804	3,124,495	6.6%	62,490
Building material, garden equipment, supplies	3,176,173	7.2%	63,524	1,846,570	3.9%	36,931
Food and beverage stores	1,524,279	3.4%	30,486	1,614,167	3.4%	32,283
Rental and leasing services	-	-	-	1,566,802	3.3%	31,336
Electronics and appliance stores	-	-	-	1,386,113	2.9%	27,722
Miscellaneous retail	4,678,404	10.6%	93,568	976,898	2.1%	19,538
Furniture and home furnishings stores	2,580,710	5.8%	51,614	-	-	-
Administrative and support services	1,388,685	3.1%	27,774	-	-	-
Total	\$ 36,558,494	82.6%	\$ 731,170	\$ 34,790,724	73.4%	\$ 695,814

Source: Department of Taxation**Note:** Due to confidentiality issues, the names of the ten largest revenue payers are not available.

The categories presented are intended to provide alternative information regarding the source of the State's revenue.

Table 7 - Ratios of Outstanding Debt by Type

Last Ten Fiscal Years, (Expressed in Thousands, Except for Per Capita)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
General obligation bonds	\$2,293,793	\$ 2,075,758	\$ 1,964,616	\$ 1,909,725	\$2,079,805	\$ 2,067,615	\$ 1,952,885	\$ 1,870,455	\$ 1,754,520	\$ 1,703,840
Highway revenue bonds	380,945	541,680	693,285	774,300	722,880	668,840	612,045	557,735	497,650	527,450
Obligations under capital leases	7,712	9,866	15,955	19,891	17,916	33,846	30,970	28,395	25,096	25,094
Certificates of participation	56,400	55,680	60,455	59,320	58,030	56,770	56,066	54,307	52,339	97,411
Total governmental activities	2,738,850	2,682,984	2,734,311	2,763,236	2,878,631	2,827,071	2,651,966	2,510,892	2,329,605	2,353,795
Business-type Activities										
General obligation bonds	120,455	118,540	117,310	115,805	113,055	105,060	108,975	101,680	90,720	83,025
Special obligation bonds	862,966	745,780	782,307	886,195	911,783	994,044	920,508	810,892	739,797	1,156,634
Total business-type activities	983,421	864,320	899,617	1,002,000	1,024,838	1,099,104	1,029,483	912,572	830,517	1,239,659
Total primary government	\$3,722,271	\$ 3,547,304	\$3,633,928	\$ 3,765,236	\$3,903,469	\$ 3,926,175	\$ 3,681,449	\$ 3,423,464	\$ 3,160,122	\$3,593,454
Debt as a Percentage of Personal Income										
Amount of Debt per Capita	4.72%	4.09%	3.93%	3.63%	3.72%	3.94%	3.68%	3.29%	3.07%	3.28%
Amount of Debt per Capita	\$ 1,595	\$ 1,469	\$ 1,456	\$ 1,468	\$ 1,501	\$ 1,485	\$ 1,363	\$ 1,257	\$ 1,145	\$ 1,288

Notes: Details regarding the State's debt can be found in the notes to the financial statements.

See table 11 for personal income and population data.

Debt as a Percentage of Personal Income is based on prior year Personal Income.

Amount of Debt per Capita is based on prior year Population.



Table 8 - Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years, (Expressed in Thousands, Except for Per Capita)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Bonded Debt Outstanding										
General obligation bonds	\$ 2,293,793	\$ 2,075,758	\$ 1,964,616	\$ 1,909,725	\$ 2,079,805	\$ 2,067,615	\$ 1,952,885	\$ 1,870,455	\$ 1,754,520	\$ 1,703,840
Certificates of participation	12,415	11,695	10,940	10,155	9,335	24,280	15,800	13,870	11,840	9,710
Water projects bonds	120,455	120,782	117,355	110,286	107,534	99,511	102,089	97,472	87,524	79,230
Unemployment Comp bonds	-	-	-	-	-	-	-	-	-	548,900
Housing bonds (b)	862,966	745,780	782,307	886,195	911,783	994,044	920,508	810,892	739,797	607,734
Total	3,289,629	2,954,015	2,875,218	2,916,361	3,108,457	3,185,450	2,991,282	2,792,689	2,593,681	2,949,414
Less: amounts restricted to repaying principal	110,467	125,884	129,087	136,309	142,539	145,793	149,715	103,361	119,289	93,839
Net general bonded debt	\$ 3,179,162	\$ 2,828,131	\$ 2,746,131	\$ 2,780,052	\$ 2,965,918	\$ 3,039,657	\$ 2,841,567	\$ 2,689,328	\$ 2,474,392	\$ 2,855,575
Actual Taxable Property Value	\$ 198,569,862	\$ 245,075,283	\$ 327,140,473	\$ 383,571,013	\$ 410,130,698	\$ 341,886,423	\$ 264,840,276	\$ 246,391,220	\$ 234,900,598	\$ 239,048,328
Percentage of Actual Taxable Value of Property	1.60%	1.15%	0.84%	0.72%	0.72%	0.89%	1.07%	1.09%	1.05%	1.19%
Debt Per Capita (a)	\$ 1,316	\$ 1,133	\$ 1,071	\$ 1,047	\$ 1,105	\$ 1,124	\$ 1,044	\$ 975	\$ 887	N/A

Note: Details regarding the State's outstanding debt can be found in the notes to the financial statements.

(a) See Table 11 for population data.

(b) Balances for housing bonds is updated for the years 2010 and 2011. There is no change to percentage of taxable property value calculations.

Table 9 - Legal Debt Margin Information

Last Ten Fiscal Years, (Expressed in Thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 1,743,736	\$ 2,339,593	\$ 2,756,849	\$ 2,963,124	\$ 2,482,138	\$ 1,900,366	\$ 1,756,111	\$ 1,671,513	\$ 1,701,164	\$ 1,854,550
Total debt applicable to limit	944,732	920,737	1,015,375	1,214,991	1,405,781	1,410,211	1,342,660	1,293,386	1,178,185	1,151,010
Legal debt margin	\$ 799,004	\$ 1,418,856	\$ 1,741,474	\$ 1,748,133	\$ 1,076,357	\$ 490,155	\$ 413,451	\$ 378,127	\$ 522,979	\$ 703,540
Legal debt margin as a percentage of the debt limit	45.82%	60.65%	63.17%	59.00%	43.36%	25.79%	23.54%	22.62%	30.74%	37.94%

Computation of Legal Debt Margin at June 30, 2014:

Assessed value of taxable property at June 30, 2014 (a)	\$ 92,727,491
Debt limitation (2% of assessed value)	\$ 1,854,550
General Obligation Bonds subject to limit	\$ 1,146,155
Certificates of participation	94,455
<i>Less obligations exempt from debt margin:</i>	
Lease revenue certificates of participation	(89,600)
Debt subject to debt limitation	(1,151,010)
Legal debt margin at June 30, 2014	\$ 703,540

Note:

(a) On June 30 of each year, the most current assessed value available is the assessed value used for calculating and assessing taxes for the following fiscal year. Therefore, the debt limitation as of June 30 of each year is calculated using the assessed value for the following fiscal year. For purposes of this computation, assessed valuation includes 35% of actual taxable property value, plus statewide redevelopment agency assessed values.

**Table 10 - Pledged Revenue Coverage**

Last Ten Fiscal Years, (Expressed in Thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Highway Improvement Revenue Bonds										
Revenue - fuel taxes	\$ 278,641	\$ 294,348	\$ 297,142	\$ 293,941	\$ 269,479	\$ 265,487	\$ 264,699	\$ 264,369	\$ 266,564	\$ 266,879
Debt service										
Principal	\$ 30,665	\$ 30,710	\$ 41,125	\$ 48,955	\$ 51,420	\$ 54,040	\$ 56,795	\$ 120,800	\$ 191,330	\$ 56,220
Interest	18,719	23,739	30,106	32,727	37,157	33,876	31,136	28,450	25,011	22,422
Total	\$ 49,384	\$ 54,449	\$ 71,231	\$ 81,682	\$ 88,577	\$ 87,916	\$ 87,931	\$ 149,250	\$ 216,341	\$ 78,642
Coverage (c)	5.64	5.41	4.17	3.60	3.04	3.02	3.01	1.77	1.23	3.39
Mortgage Revenue Bonds										
Revenue (a)	\$ 251,806	\$ 435,332	\$ 355,328	\$ 129,286	\$ 70,051	\$ 42,123	\$ 126,957	\$ 109,194	\$ 83,366	\$ 100,729
Expenses (b)	9,512	6,720	4,595	4,368	5,277	6,548	7,610	15,751	8,867	9,481
Net available revenues	\$ 242,294	\$ 428,612	\$ 350,733	\$ 124,918	\$ 64,774	\$ 35,575	\$ 119,347	\$ 93,443	\$ 74,499	\$ 91,248
Debt service										
Principal (d)	\$ 155,791	\$ 136,186	\$ 51,003	\$ 37,897	\$ 33,592	\$ 67,079	\$ 132,536	\$ 157,962	\$ 71,095	\$ 151,432
Interest	42,298	38,644	37,002	38,051	36,354	33,236	29,111	26,444	23,226	17,882
Total	\$ 198,089	\$ 174,830	\$ 88,005	\$ 75,948	\$ 69,946	\$ 100,315	\$ 161,647	\$ 184,406	\$ 94,321	\$ 169,314
Coverage (c)	1.22	2.45	3.99	1.64	0.93	0.36	0.74	0.51	0.79	0.54

Notes: Details regarding the State's outstanding debt can be found in the notes to the financial statements.

(a) Consists of interest and investment income and principal collections of the Housing Division Enterprise Fund.

(b) Consists of operating expenses, nonoperating expenses and transfers out less interest expense and depreciation.

(c) Coverage equals net available revenues divided by total debt service.

(d) Principal paid on mortgage revenue bonds is updated for years 2010 and 2011. There is no change to coverage ratio.

Table 11 - Demographic and Economic Statistics

Last Ten Calendar Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Population										
Nevada (a)	2,332,898	2,414,807	2,495,529	2,565,382	2,653,630	2,684,665	2,703,230	2,717,951	2,754,354	2,790,136
Percentage change	4.1%	3.5%	3.3%	2.8%	3.4%	1.2%	0.7%	0.5%	1.3%	1.3%
United States (a)	293,656,842	296,410,404	299,398,484	301,621,157	304,093,966	306,771,529	309,326,295	311,582,564	313,873,685	316,128,839
Percentage change	1.0%	0.9%	1.0%	0.7%	0.8%	0.9%	0.8%	0.7%	0.7%	0.7%
Total Personal Income										
Nevada (in millions) (a)	78,822	86,650	92,557	103,847	105,824	96,430	99,092	101,774	108,050	109,471
Percentage change	10.1%	9.9%	6.8%	12.2%	1.9%	-8.9%	2.8%	2.7%	6.2%	1.3%
United States (in millions) (a)	9,705,504	10,251,639	10,860,917	11,645,882	12,451,660	11,852,715	12,417,659	13,189,935	13,873,161	14,151,427
Percentage change	6.0%	5.6%	5.9%	7.2%	6.9%	-4.8%	4.8%	6.2%	5.2%	2.0%
Per Capita Personal Income										
Nevada (a)	33,787	35,883	37,089	40,480	39,879	35,919	36,657	37,445	39,229	39,235
Percentage change	5.8%	6.2%	3.4%	9.1%	-1.5%	-9.9%	2.1%	2.1%	4.8%	0.0%
United States (a)	33,050	34,586	36,276	38,611	40,947	38,637	40,144	42,332	44,200	44,765
Percentage change	5.0%	4.6%	4.9%	6.4%	6.1%	-5.6%	3.9%	5.5%	4.4%	1.3%
Labor Force and Employment										
Nevada Labor Force	1,177,558	1,218,525	1,295,085	1,335,852	1,373,462	1,369,891	1,350,309	1,385,872	1,378,876	1,372,862
Unemployed	51,212	49,002	54,217	64,380	91,450	161,270	200,772	187,732	152,468	135,071
Unemployment Rate	4.3%	4.0%	4.2%	4.8%	6.7%	11.8%	14.9%	13.5%	11.1%	9.8%
United States Labor Force	147,401,000	149,320,000	151,428,000	153,124,000	154,287,000	154,142,000	153,889,000	153,617,000	154,975,000	155,389,000
Unemployed	8,149,000	7,591,000	7,001,000	7,078,000	8,924,000	14,265,000	14,825,000	13,747,000	12,506,000	11,460,000
Unemployment Rate	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%

Sources: U.S. Department of Commerce, Bureau of Economic Analysis; Nevada Department of Employment, Training, and Rehabilitation

Note: Total personal income is composed of wages and salaries, proprietors' income, personal interest and dividend income, rental income, and personal current transfer receipts, less contributions for government social insurance. Per capita personal income is calculated by dividing total personal income by population.

(a) Revised estimates for 2010 through 2012



Table 12 - Principal Employers

Current Year and Nine Years Ago

	Calendar Year 2004			Calendar Year 2013		
	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
Employer:						
Clark County School District	30,000 - 39,999	1	2.97%	30,000 - 39,999	1	2.55%
State of Nevada	20,000 - 29,999	2	2.12%	20,000 - 29,999	2	1.82%
Washoe County School District	8,000 - 8,499	4	0.70%	8,000 - 8,499	3	0.60%
Clark County	9,000 - 9,499	3	0.79%	8,000 - 8,499	4	0.60%
Wynn Las Vegas	-	-	-	7,500 - 7,999	5	0.56%
Bellagio, LLC	-	-	-	7,500 - 7,999	6	0.56%
MGM Grand Hotel/Casino	-	-	-	7,000 - 7,499	7	0.53%
Aria Resort & Casino, LLC	-	-	-	7,000 - 7,499	8	0.53%
Mandalay Bay Resort & Casino	-	-	-	6,000 - 6,499	9	0.46%
Caesar's Palace	4,500 - 4,999	7	0.40%	5,500 - 5,999	10	0.42%
Mirage Casino-Hotel	5,500 - 5,999	5	0.49%	-	-	-
Las Vegas Metropolitan Police	4,500 - 4,999	6	0.40%	-	-	-
Rio Suite Hotel & Casino	4,000 - 4,499	8	0.36%	-	-	-
Treasure Island at the Mirage	3,500 - 3,999	9	0.32%	-	-	-
Bally's & Paris Casino Hotels	3,500 - 3,999	10	0.32%	-	-	-
Total	92,500 - 116,490		8.87%	106,500 - 130,490		8.63%

Sources: Nevada Department of Employment, Training, and Rehabilitation and Nevada Department of Administration**Note:** Percentage of total state employment is based on the midpoints in the ranges given.

Table 13 - School Enrollment

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public School Enrollment										
Primary (Pre-K - 6)	229,419	201,465	239,418	240,453	235,295	239,723	240,774	243,668	244,425	253,230
Secondary (7 - 12)	183,833	189,501	193,822	196,325	196,014	196,921	198,092	200,335	200,095	205,922
Total	413,252	390,966	433,240	436,778	431,309	436,644	438,866	444,003	444,520	459,152
Public Higher Education Enrollment										
University of Nevada, Reno	12,660	12,444	12,429	12,709	12,889	13,601	14,025	14,330	14,830	16,240
University of Nevada, Las Vegas	20,569	20,180	20,007	20,297	20,670	20,160	19,217	19,142	19,848	21,012
Nevada State College	1,017	1,310	1,418	1,340	1,622	1,867	1,963	2,045	2,061	2,218
College of Southern Nevada	18,234	18,320	19,501	20,906	21,751	22,286	20,231	19,536	18,904	19,141
Great Basin College	1,353	1,584	1,613	1,781	2,002	1,996	1,826	1,743	1,796	1,753
Truckee Meadows Community College	6,213	6,210	6,454	6,800	7,312	7,143	6,262	6,499	6,249	6,144
Western Nevada College	2,410	2,463	2,427	2,438	2,908	2,960	2,380	2,283	2,248	2,353
Total	62,456	62,511	63,849	66,271	69,154	70,013	65,904	65,578	65,936	68,861

Sources: Nevada Department of Education and Nevada System of Higher Education**Note:** Public higher education enrollment represents full-time equivalent students at fall enrollment.**Table 14 - Full-time Equivalent State Government Employees by Function**

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Function										
General government	1,513	1,536	1,558	1,570	1,539	1,487	1,443	1,445	1,548	1,539
Health and social services	4,992	5,364	5,773	6,145	5,823	6,151	6,061	5,937	5,925	6,239
Education and support services	7,762	8,118	8,670	9,030	8,930	8,670	8,383	8,015	7,663	8,380
Law, justice and public safety	5,449	5,654	5,946	5,924	5,815	5,812	5,707	5,760	5,838	5,831
Regulation of business	1,315	1,331	1,412	1,390	1,363	1,374	1,309	1,284	1,289	1,363
Transportation	1,783	1,771	1,792	1,829	1,810	1,776	1,769	1,797	1,776	1,770
Recreation and resource development	1,455	1,479	1,403	1,186	1,172	1,172	1,142	1,134	1,145	1,181
Total	24,269	25,253	26,554	27,074	26,452	26,442	25,814	25,372	25,184	26,303

Sources: Nevada Department of Administration, Nevada System of Higher Education and Legislative Counsel Bureau

Statistical Tables



NEVADA

Table 15 - Operating Indicators by Function

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
<i>Department of Taxation</i>										
Number of sales and use tax audits		1,668	1,994	1,346	1,397	1,254	1,066	950	1,461	N/A
<i>Public Employees Benefits Program</i>										
Number of plan participants	33,395	35,049	38,936	42,049	44,232	43,943	42,830	40,615	40,176	40,635
Generic drug utilization (b)	59%	59%	65%	65%	72%	72%	78%	78%	72%	82%
<i>Department of Administration</i>										
Square feet of non-state owned space leased (major urban areas) (i)	1,377,525	1,377,525	1,547,467	1,547,467	1,393,872	1,393,872	1,466,102	1,408,617	1,511,207	1,526,579
Job applications processed	36,317	54,378	92,353	66,041	68,552	76,129	77,428	88,394	101,062	81,916
<i>Nevada State Library and Archives</i>										
Volumes (excludes documents and microfilm)	76,527	76,527	79,917	82,913	81,368	82,848	84,460	86,231	87,942	89,785
Government publications (U.S., Nevada and California)	779,194	798,013	813,142	827,697	833,705	849,112	851,855	854,727	862,764	864,898
Health and Social Services										
<i>Health Care Financing & Policy</i>										
Nevada Medicaid - average monthly eligibles	176,418	172,685	168,197	180,369	197,313	240,528	279,840	303,214	315,434	392,315
NV Check-Up Program - average monthly enrollment (i)	27,492	27,492	29,075	29,075	21,713	21,713	21,193	21,296	21,132	21,771
<i>Health Division</i>										
Women, Infants and Children Program participants (FFY)	567,076	602,100	602,784	711,018	793,166	870,398	887,796	896,465	884,946	874,462
<i>Welfare Division</i>										
Average monthly number of TANF recipients	21,748	19,880	17,706	21,022	22,556	29,084	30,854	29,331	28,837	32,239
Average monthly number of Mental Health clients	14,981	14,655	13,249	14,582	15,575	15,160	15,138	14,058	14,414	14,238
Average monthly number of Mental Health inpatients	182	198	246	265	253	225	211	209	221	277
Average monthly number of SNAP (Food Stamp) recipients	122,042	118,474	119,596	137,589	179,790	260,417	323,290	352,156	358,611	375,506
Average monthly number of Developmental Services clients	3,888	4,057	4,387	4,672	4,876	5,086	5,346	5,550	5,694	5,865
Percent of current child support owed that is collected (FFY) (k)	46%	46%	48%	48%	48%	49%	51%	56%	58%	N/A
TANF recipient children receiving child care (f)	17,977	17,977	16,797	24,705	19,119	17,407	20,269	19,883	18,742	N/A
Non-TANF children receiving child care (f)	104,463	104,463	112,452	113,426	84,517	69,541	83,399	67,955	43,215	N/A
Applications for energy assistance received	24,846	24,846	27,515	27,515	38,674	38,674	42,611	38,643	36,764	41,190
Households served with energy assistance	14,552	14,552	16,846	16,846	25,458	25,458	32,544	20,484	25,631	22,463
Education and Support Services										
<i>Nevada Department of Education (a)</i>										
Percent of occupational education students receiving a diploma (f)	88%	88%	N/A	93%	95%	88%	85%	75%	70%	85%
Percent of K-12 students participating in the Nat'l School Lunch Program (b) (j)	41%	41%	43%	43%	42%	42%	47%	52%	54%	54%
Number of special education students receiving a high school diploma (f)	503	503	458	437	703	560	747	725	677	745
Law, Justice and Public Safety										
<i>The Supreme Court of Nevada</i>										
Cases filed (c)	2,049	2,171	2,124	2,212	2,169	2,267	2,514	2,406	2,362	N/A
Cases disposed (c)	1,994	2,387	1,976	2,058	2,238	2,468	2,217	2,248	2,392	N/A
Number of opinions written (c)	90	121	61	103	63	57	87	71	104	N/A
<i>Nevada Department of Corrections</i>										
Total admissions (e)	5,741	6,292	6,016	N/A	5,781	5,801	5,971	5,818	5,666	5,749
Total releases (e)	5,455	5,162	5,308	N/A	6,120	6,098	6,098	5,672	5,614	5,672
In-house population at year-end (e)	11,740	12,816	12,967	12,853	12,742	12,591	12,458	12,564	12,665	12,824
<i>Department of Public Safety, Highway Patrol Division</i>										
Total number of DUI arrests (g)	3,803	4,264	5,093	4,720	4,676	3,981	3,846	3,286	3,177	2,977
Total number of safety inspections (g)	20,800	24,714	24,227	22,669	26,478	26,056	25,491	27,492	28,737	25,923
<i>Department of Motor Vehicles</i>										
Motor vehicle registrations	1,884,816	2,262,743	2,351,581	2,345,500	2,335,778	2,284,437	2,153,918	2,119,167	2,190,660	2,259,552

Regulation of Business

Nevada Department of Agriculture

Number of meals served in the Children & Adult Food Care Program (i)
Nevada Gaming Commission

Licenses issued & active at fiscal year-end
Licensed devices at fiscal year-end:

Games
Tables

Slots

Department of Business and Industry

Units of affordable housing produced (b) (i)
Taxicab Authority notices of violation issued (f)

Number of worksite safety & health inspections
Number of boiler and elevator inspections

Insurance license and renewal applications processed (b) (i)

Transportation

Nevada Department of Transportation

Miles of highways - rural (e)
Miles of highways - urban (e)

Recreation and Resource Development

Commission on Tourism

Inquiries from advertising campaign (d)
Tourism web site visitors (d)

Commission on Economic Development

Number of projects requesting Community Development Block Grants (f)
Number of projects funded (f)

Department of Conservation and Natural Resources

Percent of human caused wildland fires in NDF's jurisdiction investigated
Number of State Park users (h)

N/A = not available

Sources: Nevada Departments of Taxation, Administration, Health and Human Services, Education, Agriculture, Corrections, Motor Vehicles, Public Safety, Transportation, Business and Industry, Conservation and Natural Resources; Supreme Court of Nevada; Nevada Gaming Commission and Control Board; Public Employees Benefit Program; State of Nevada Executive Budgets.

Notes:

(a) See table 13 for public school enrollment.

(b) The Executive Budget is prepared biennially, and actual figures are only available for the base year (even numbered years). Base year figures have been used for odd numbered years in this table.

(c) Data based on calendar year.

(d) Revised figures provided by Commission on Tourism for 2005-2006 and 2009.

(e) Data prior to 2009 was based on calendar year.

(f) Data from Executive Budget prior to 2006.

(g) Revised figures for 2011, 2012

(h) 2005 through 2011 data based on calendar year. 2012 and 2013 data is fiscal year.

(i) Data from Executive Budget prior to 2011

(j) Data from Executive Budget prior to 2012

(k) Revised figures for 2007, 2008, 2010, 2011



Table 16 - Capital Asset Statistics by Function

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
State owned office space (square feet)	142,733	214,747	215,867	201,688	201,688	202,229	214,611	219,927	215,416	213,896
Vehicles (motor pool)	741	824	790	849	851	828	798	775	777	865
Health and Social Services										
State owned office space (square feet)	93,509	122,415	52,626	33,093	33,344	70,939	70,770	64,506	68,648	68,648
Mental health centers	5	5	5	5	5	5	5	5	5	5
Veterans' home	1	1	1	1	1	1	1	1	1	1
Youth correctional centers	3	3	3	3	3	2	2	2	2	3
Vehicles	251	241	240	225	232	219	193	183	167	155
Education and Support Services										
State owned office space (square feet)	19,767	28,200	28,200	28,200	27,949	28,031	28,200	28,200	28,200	28,200
Number of State museums	7	7	7	7	7	7	7	7	7	7
State library	1	1	1	1	1	1	1	1	1	1
Law, Justice and Public Safety										
State owned office space (square feet)	478,724	550,648	540,125	596,564	596,564	646,446	646,223	645,775	645,322	645,322
Supreme Court building	1	1	1	1	1	1	1	1	1	1
Department of Corrections facilities	20	21	21	19	20	20	20	19	19	19
Vehicles	1,065	1,091	1,067	1,172	1,217	1,199	1,161	1,191	1,118	1,128
Regulation of Business										
State owned office space (square feet)	71,811	107,547	107,547	107,547	107,547	106,027	102,038	102,478	102,245	103,765
Vehicles	283	279	285	292	293	323	263	253	242	259
Transportation										
State owned office space (square feet)	179,948	184,988	251,658	251,658	251,658	258,056	280,728	273,327	308,532	308,532
NDOT lane miles	13,199	13,087	13,131	13,137	13,055	13,055	13,055	13,368	13,613	13,622
NDOT bridges	1,015	1,025	1,045	1,092	1,092	1,092	1,109	1,116	1,101	1,154
NDOT vehicles	829	872	864	901	826	625	538	628	633	631
NDOT heavy equipment	1,826	1,875	1,900	1,913	1,886	2,033	2,058	1,943	1,931	1,918
NDOT maintenance stations (staffed)	45	41	51	48	45	45	42	42	42	44
Recreation and Resource Development										
State owned office space (square feet)	36,593	146,982	137,353	139,874	139,874	140,998	142,638	142,140	143,150	143,150
Number of State Parks	25	26	24	25	24	24	24	24	24	23
Acres of State Parks	132,800	132,800	132,800	132,117	145,750	145,750	145,750	145,745	145,760	146,225
Number of Fish Hatcheries	4	4	4	4	4	4	4	4	4	4
Wildlife Management Areas	11	11	11	11	11	11	11	11	11	11
Acres of Wildlife Management Areas	117,959	117,959	117,959	117,959	116,888	118,993	118,993	120,254	121,086	119,212
Vehicles	1,007	998	803	811	854	919	805	797	790	826

Sources: Federal Highway Administration; Nevada Attorney General's Office; Nevada Departments of Administration, Conservation and Natural Resources, Corrections, Tourism and Cultural Affairs, Health & Human Services, Transportation and Wildlife

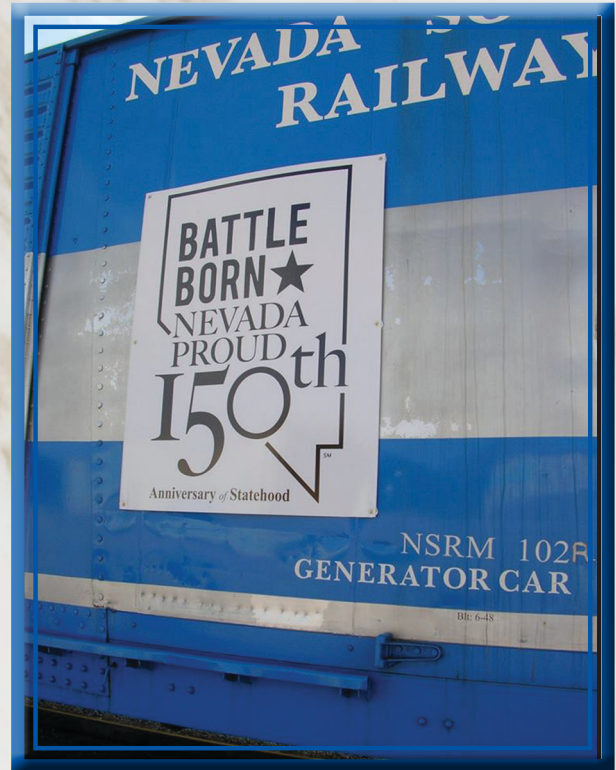
Note: Division of Buildings and Grounds changed the way State-owned office building rent (previously based on useable square footage) is calculated beginning in fiscal year 2006. Rent is now based on gross instead of useable square footage.

COMPLIANCE SECTION

Gov. Brian Sandoval, left, and Lt. Gov. Brian Krolicki stand at the back of the Union Pacific Battle Born Express at the Union Pacific train yard in Elko, NV.



Photo by: Elaine Bassier/Elko Daily Free Press





Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

The Honorable Kim Wallin, CMA, CFM, CPA
State Controller

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the State of Nevada's basic financial statements, and have issued our report thereon dated December 19, 2014. Our report includes a reference to other auditors who audited the financial statements of the Nevada System of Higher Education and the Colorado River Commission, discretely presented component units; the Housing Division Enterprise Fund, the Self Insurance and Insurance Premiums Internal Service Funds, the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, the Nevada College Savings Plan – Private Purpose Trust Fund, the Retirement Benefits Investment Fund – Investment Trust Fund, and the Division of Museums and History Dedicated Trust Fund, as described in our report on the State of Nevada's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by some of those auditors. The financial statements of the Nevada System of Higher Education, the Division of Museums and History Dedicated Trust Fund, the Pension Trust Funds, the Insurance Premiums Internal Service Fund and the Retirement Benefits Investment Trust Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State of Nevada's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Nevada's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Nevada's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified a certain deficiency we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of

the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Responses as finding 2014-A to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. However, we did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Nevada's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The State of Nevada's Response to Findings

The State of Nevada's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The State of Nevada's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Nevada's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Nevada's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Reno, Nevada
December 19, 2014

**STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014**

Findings Relating to the Financial Statements Reported in Accordance with GAGAS:

Finding 2014-A

Criteria and Condition:

Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. One of the key components of an effective system of internal control is performing an analysis of the collectability of accounts receivable to ensure proper reporting in the financial statements.

During our audit testing over Unemployment Insurance assessments receivable, we noted a large increase in the amount of overpayments due back to the Department of Employment, Training and Rehabilitation (DETR). The large increase was the result of a conversion from the General Unemployment Insurance Development Effort (GUIDE) system to the Unemployment Insurance Claim's Filing System (UInv). The new system identified and/or revised unemployment assessment overpayments; however no analysis was performed to determine the collectability of the overpayments.

Effect:

Assessments receivables in the Unemployment Compensation Fund were overstated and required that a material adjustment be made to report the amount determined by management to be uncollectible.

Cause:

The GUIDE System utilized by DETR to process claim payments and identify overpayments was not sufficiently functional in prior years. To improve functionality, DETR implemented the new UInv system during the fiscal year. However, adequate controls were not in place that would require a determination be made of the collectability of the overpayments identified by the new system.

Recommendation:

We recommend DETR enhance controls to require a determination be made of the collectability of all overpayments. Those determined by management not to be collectible should be offset by an allowance for uncollectible assessments.

Management's Response:

The Employment Security Division has reviewed the finding of Eide Bailly CPAs as it pertains to financial reporting of unemployment insurance overpayments. The Division

agrees that additional controls are warranted in light of the significant increase in overpayment accounts improperly reported as receivables during the 3rd quarter of 2013. The Division also believes that a detailed review of the issues caused by UInv conversion and recent statute changes is warranted.

The Division anticipates developing and publishing procedures and controls in conjunction with DETR Financial Management, Unemployment Insurance Support Services, U.I. Integrity, and the State Controller's Office to insure that the methodology developed is both appropriate, timely, and in keeping with financial best practices.



Joseph Gossling, Architect No 9 Post St.
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PHOTO. 7/24/55

OUR THANKS AND APPRECIATION TO THE FOLLOWING FOR THEIR HELP:

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